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IDB Meets in Japan

IDB President Appeals for Investment

OW0504055791 Tokyo KYODO in English 0517 GMT 5 Apr 91

[By Atsuko H. Yamaguchi]

[Text] Nagoya, April 5 KYODO—Inter-American Development Bank (IDB) President Enrique Iglesias appealed to Japan on Friday to recognize the "New Latin America" working to achieve macroeconomic stability and open its markets.

He told a seminar at a hotel here ahead of Sunday's opening of the annual IDB meeting here, its first in Asia, that countries in the region are embarking on an economic reform program based on a search for macroeconomic stability through a "frontal attack on the issue of fiscal imbalances."

IDB consists of 27 countries in Latin America and North America and 17 countries in Asia and Europe.

Latin America is rapidly opening its markets to the rest of the world by reducing both tariff and nontariff barriers to international trade, he said in an indirect appeal for new investment from the many Japanese businessmen in the audience.

The head of the Washington-based regional bank said tariff reductions in Mexico and Chile have surpassed those in some industrialized countries.

Iglesias said countries in the region are also moving quickly to open their markets to each other by agreeing to establish free trade zones.

He pointed to plans for integration by the five Andean countries, which are to have a free trade zone later this year, and the agreement last week in Asuncion by the presidents of Brazil, Argentina, Paraguay, and Uruguay to form a common market.

Iglesias reassured Japan that these countries plan a "competitive type of integration," not a "defensive type."

"Latin America wants to export more and import more," he said.

This represents a major shift in policy for the region, where many countries had followed an "import substitution" strategy, focusing on the production of items that would replace imports, rather than on manufacturing products for export, to curb their trade deficits.

This concentration on import substitution is one reason for the region's lack of international competitiveness, analysts say.

The IDB meeting in April 7-9 will give finance ministers and central bankers from 44 member countries in South and Central America, the U.S., Europe, and Japan an opportunity to discuss ways of helping Latin American countries rebuild their economies.

The Latin American economies are stagnating under the weight of a towering debt burden and runaway inflation.

President Wants Closer Ties With Japan

OW0704062491 Tokyo KYODO in English 0540 GMT 7 Apr 91

[By Atsuko H. Yamaguchi]

[Text] Nagoya, April 7 KYODO—Inter-American Development Bank (IDB) President Enrique Iglesias said Latin America wants to beef up its ties with Japan, in an address to the inaugural session of the bank's annual meeting Sunday.

"Latin America brings a message of interest in cooperating with Japan at the economic, trade, and investment levels," Iglesias said.

He also said the region welcomes U.S. President George Bush's Enterprise for the Americas Initiative (EAI) on trade debt management and investment with the seriousness it deserves, he said.

Iglesias stressed the importance of the private sector in developing Latin America, saying the region will increase its competitiveness for funds amid tightened demand for capital needed to finance reconstruction in the Persian Gulf region and the rebuilding of Eastern Europe.

He said Latin America has no reason to fear competition because of its abundance of natural and human resources, new political and entrepreneurial leaders, and the economic reforms underway.

He also indicated he wanted this to be the year which members of the Uruguay Round of multilateral trade talks come up with an accord.

Hopes of a successful conclusion to the Uruguay Round were shattered last December when the U.S. and Europe failed to narrow their differences over agricultural trade.

The annual IDB meeting, the first to be held in Asia, deals mainly with how Latin American countries can cope with a global fund shortage and large debts.

The meeting got under way with representatives from all 44 member nations present.

The IDB, in its annual report released Sunday, said in 1990, the bank authorized 45 loans amounting to 3,881 million dollars, up 48.2 percent from the previous year.

The figure is the largest ever, exceeding the previous record of 3,567 million dollars loaned in 1984, the report said.

The total includes 688 million dollars for transportation and communications projects, 673 million dollars for social infrastructure, 665 million dollars for energy, 319 million dollars for agriculture, and 280 million dollars for industry and mining.

The report said general economic activity dropped in Latin American nations in 1990, with the combined gross domestic product (GDP) of these nations declining in real terms by around 0.8 percent. Per capita GDP fell for the third year running, it added.

The slack performance was attributed in part to the rise in crude oil prices because of the Persian Gulf war.

The report also said the countries' external debts are estimated to have grown by 3.5 billion dollars during the year to 450 billion dollars, mainly due to interest arrears of 10 billion dollars. At the end of 1990, accumulated arrears amounted to 27 billion dollars, which represents 6 percent of the debt balance, it said.

"Almost all the countries of the region are implementing economic reform programs with similar objectives—the control of inflation, reduction of the public sector deficit, selective privatization of state enterprises, real exchange rate correction, trade liberalization, and emphasis on the private sector as the driving force of the economy," the report said.

"Recently adopted programs, which focus on rapidly correcting macroeconomic distortions, are showing signs of weakness insofar as they have not been undertaken in the context of long-term adjustments that would consolidate progress and lay a sound foundation for sustained development.

"The success of these programs in the medium and long term will depend essentially upon the political sustainability of the effort," the report said.

France, UK Voice Reservations Over Fund

OW0804105291 Tokyo KYODO in English 1020 GMT 8 Apr 91

[By Atsuko H. Yamaguchi]

[Text] Nagoya, April 8 KYODO—France and Britain both voiced reservations Monday over the creation of a U.S.-sponsored multilateral investment fund to promote investment in Latin America.

Speaking on the second day of a three-day meeting of the Inter- American Development Bank (IDB), John A. L. Faint, Britain's undersecretary of the international division of the Overseas Development Administration, voiced reservations over the "role envisaged for the proposed multilateral investment fund."

"Public sector intervention in the private sector needs to be used sparingly and with care," he said.

"It can easily create distortions and an inappropriate structure of incentives, and give rise to a culture of dependency on the public sector," Faint said.

France's Denis Samuel-Lajeunesse, chief of international relations services at the Treasury Department, said more support should be given to Inter-American Investment Corp. (IIC) than the creation of a new structure.

He said France is conscious of the need to support the private sector but indicated that it should be done without resorting to subsidies.

The IIC is an autonomous multilateral investment corporation affiliated with the IDB, created to stimulate the establishment, expansion, and modernization of private enterprises in Latin America and the Caribbean.

The remarks by France and Britain seemed to indicate that they are not willing to pledge a 100 million dollar European contribution to the five-year 1.5 billion dollar multilateral investment fund proposed by U.S. President George Bush last June.

The U.S. has promised 100 million dollars for the fund and has called on Japan and Europe to do the same.

Japanese Finance Minister Ryutaro Hashimoto said in a speech before the general assembly Sunday that Japan is prepared to earmark an appropriate amount for the fund.

In the Enterprise for the Americas Initiative (EAI), Bush proposed the creation of a five-year, 1.5 billion dollar multilateral investment fund, to be run by the IDB, to provide additional assistance for countries undertaking reforms.

This support would include human capital development, provision of credit and equity financing for micro and small enterprises, technical assistance for privatizing government-owned industries, and other related investment reforms, such as the development of capital markets.

Mexico Urges Increased Japanese Investment

OW0604003591 Tokyo KYODO in English 1517 GMT 5 Apr 91

[By Ikuji Nakaya]

[Text] Nagoya, April 5 KYODO—Mexico's undersecretary for International Financial Affairs, Jose Angel Gurria, called Friday for increased investment from Japan, asking it to drop its "wait- and-see" attitude and take action.

"Don't wait to come into Mexico until we finish the FTA (Free Trade Agreement) negotiations, because then you will not be able to participate as a Mexican company," Gurria told a seminar on the role of the private sector in Latin America.

The free trade talks are expected to begin as early as June and, if concluded successfully, will promote increased trade between Mexico and the United States, and eventually Canada, through a reduction of tariffs and the total elimination of nontariff barriers.

Gurria's statement came at an Inter-American Development Bank- sponsored seminar here in Nagoya after he faced expressions of Japan's "cautious attitude" about making commitments in Mexico.

On Thursday, at another seminar in Tokyo sponsored by the Export- Import Bank of Japan, at which Gurria was also present, Shinichi Yufu, president of Japan International Development Organization Ltd., stated that the "incentives are low" for further Japanese investments in Mexico.

Yufu said that the Association of Southeast Asian Nations (ASEAN) countries offer a better environment for investment, including the area of labor problems. He added that direct investments in the United States and the European Community would also help provide relief from trade frictions between Japan and those two areas.

Yufu pointed out that Mexico needs to clarify which industries it is committed to emphasizing, and to find ways to boost the "supporting industries."

Speaking of incentives, Yoshikazu Hanawa, an executive at Nissan Motor Co., who also attended the Tokyo seminar, said it is essential to be able to be sure "you are going to make money," before making investments.

Hanawa expressed concerns over the speed of Mexico's economic liberalization, saying that "it is too fast" for Mexican industry to catch up. He also feared a possible devaluation of the Mexican peso in the future, saying that it may make Mexico lean heavily to the United States economically.

In his Nagoya comments, Gurria stressed macroeconomic factors, saying, "we think we are offering the right incentives...macroeconomic stability, the legal and regulatory framework, the insertion in the international world, the predictability, the consistency."

"Those are the right incentives, they are the right signals, they are clear signals," which should attract foreign investments, he said.

Gurria noted that Mexico's economic adjustment process is eight years old, and said that the country is expecting to reduce its fiscal deficit to zero in 1991.

"The government had been the locomotive traditionally in the case of Mexico, now this role...must switch around," Gurria said, "the private sector has to pick up the ball and run with it...in this period we would like to call 'life after debt'."

Mexican Finance Secretary Gives Interview

OW0704061591 Tokyo KYODO in English 0515 GMT 7 Apr 91

[By Ikuji Nakaya and Atsuko H. Yamaguchi]

[Text] Nagoya, April 7 KYODO—Mexico is now in the phase of "life after debt," and Mexicans as well as foreigners are gaining confidence in the nation's economy, Secretary of Finance and Public Credit Pedro Aspe Armella said Saturday.

Aspe, in an interview with KYODO News Service, said the application in July 1989 of the Brady Plan, which reduced Mexico's debt by almost 4 percent of its gross domestic product (GDP), triggered a plunge in domestic interest rates, while capital repatriation, privatization of state-owned enterprises, and return of foreign investments, which are more important than the debt reduction itself in both quantitative and qualitative terms, have increased.

"We had interest rates of 70 percent per annum and now we have interest rates of 21 percent per annum. The savings that we got from the domestic interest rate reduction was twice as big as the one we got from the external debt negotiation," he said.

The Mexican minister is here to attend an annual meeting of the Inter-American Development Bank (IDB), which begins on Sunday [April 7] for a three-day session, the first IDB meeting ever in Asia.

Aspe expressed support for Brazil's protest at the postponement of an IDB loan to Brazil.

"A development bank should judge projects on their own merits," he said, "as a matter of principle. Mexico considers that it is very unfortunate if projects are starting to be rejected not on the basis of their own merits but from outside considerations, be they political, ecological, or whatever," he said.

On Tuesday, Brazilian officials said that "some industrial countries" in the IDB are "pushing back for two months consideration of a 350 million dollar loan to Brazil, on grounds that have nothing to do with the merits of the project itself."

The reason for the postponement is to "press Brazil into reaching an agreement with private banks," they said.

The Brazilian Government agreed on Friday in New York with a consortium of Japanese, U.S., and European creditor banks on outstanding arrears on its external debt.

Under the accord, Brazil will start paying some of about 8 billion dollars worth of interest arrears by the end of this year.

Zelia Cardoso de Mello, Brazil's minister of Economy and Planning, will make a "strong statement" Sunday, the opening day of the IDB's annual session in Nagoya, in protest at the linkage of the "two different issues," a Brazilian official said.

Julio Zelner, head of the Financial Policy Division in the Ministry of External Relations, who is also here to attend the IDB gathering, said the protest will come not only from Brazil, and that other countries are expected to follow suit.

Cardoso de Mello will also refer to the issue of official debt reduction in her speech, he said.

Brazil has the world's biggest external debt, estimated at 120 billion dollars at the end of 1990.

The Mexican finance chief indicated there are no plans to privatize the oil industry. Mexico's Constitution provides that the oil, electricity, and railroad industries must be owned by the government and "we will not change the Constitution."

With the cooperation of opposition parties, President Carlos Salinas de Gortari was able to move to privatize commercial banks, through a constitutional amendment, Aspe said. Eighteen banks are scheduled to be privatized within the next 18 months or so, he said.

"In terms of oil, electricity, and railroads, the government of President Salinas will not send any amendments to change the constitution. We want them to remain in government hands," he said.

Aspe said this was due partly to historical reasons, where in the past when oil companies were private, a dispute between the companies and the Mexican Supreme Court arose, because the companies refused to follow its ruling.

There were also political reasons, Aspe said, without elaborating.

It is "the labor issue," that prevents Salinas from privatizing oil firms, according to a Japanese analyst, Shinichi Yufu, president of Japan International Development Organization Ltd. He cited the opposition to privatization of the labor union in Petromex, the national petroleum company.

"Privatizing the oil industry is the key to maintaining Mexico's economic independence from the United States when the free trade pact takes effect," he said.

Talks on the free trade pact designed to promote trade between Mexico and the United States and eventually with Canada, by measures like reducing tariffs or eliminating nontariff barriers, are expected to begin in June.

"The Mexican economy will really be able to take off if the privatization is realized," Yufu said.

"I think the top Mexican officials are thinking the same thing, but they cannot mention that officially because that would cause them to lose support from the union, which is quite strong in the country."

Aspe acknowledged the growing competition for available funds because of changes in Eastern Europe and the necessary postwar reconstruction in the Persian Gulf.

"Given that fact, we have to compete, and the big thing is how to have this access," he said. "Well, you have to offer better economic performance than your competitor."

To gain competitiveness, Aspe said, Mexico is working to decrease its fiscal deficit, promoting privatization, and opening up its economy, including trade, referring to the free trade agreement.

Aspe is scheduled to meet Japan's Finance Minister Ryutaro Hashimoto, and said this will be his fourth time to see him, but will be the first time to meet him without any "special requests."

Japanese Minister Rejects Debt Reduction

OW0704074891 Tokyo KYODO in English 0627 GMT 7 Apr 91

[Text] Nagoya, Apr. 7 KYODO—Japan's Finance Minister Ryutaro Hashimoto said Sunday that Japan is willing to help countries that help themselves by restructuring their economies.

Hashimoto told reporters after making a speech at the opening day of the Inter-American Development Bank's 32nd annual session held here, Japan will "not close its doors" to nations asking for assistance provided they make efforts themselves.

But he reiterated Japan will not grant official debt reduction, because it will lead to difficulties in future lending, which he said is essential for developing countries to achieve economic development.

Hashimoto declined to give any specific figures on Japan's cooperation with the proposed multinational investment fund initiative, saying it will be prepared to contribute "an appropriate amount."

He said he will monitor the U.S. Congress's moves on the issue, and Japan's actions will be in cooperation with other involved nations.

News reports and government officials have indicated the government is considering donating 100 million dollars per year for five years to the fund.

The fund, proposed last June by U.S. President George Bush under the Enterprise for the Americas initiative, comes on top of a proposed free trade zone that would cover North, South, and Central America.

Hints at Donation

OW0704081991 Tokyo KYODO in English 0730 GMT 7 Apr 91

[Text] Nagoya, April 7 KYODO—Finance Minister Ryutaro Hashimoto indicated Sunday that Japan is ready to extend a donation to a new Latin American investment fund.

Hashimoto's remarks came during his opening address to the three- day annual meeting of the Inter-American Development Bank (IDB), which began earlier in the day.

Finance Ministry officials said earlier Tokyo is very close to committing 100 million dollars to the fund.

In his Enterprise for the Americas Initiative (EAI) launched last June, U.S. President George Bush called on Japan and Europe to put up 100 million dollars each in the first year to create a fund for promoting investment in South and Central America.

Washington has already pledged a 100 million dollar donation for the first year of the five-year 1.5 billion dollar multilateral investment fund, to be managed by the IDB.

The Japanese move is widely criticized as a government attempt to mend frayed ties with the United States, instead of a genuine effort to help Latin American countries.

Hashimoto also made clear Japan's position over official debt forgiveness, suggesting it would close off the possibility of fresh loans.

The offering of both debt forgiveness and additional credits would be "extremely difficult," he said.

And since fresh loans are vital to the economic recovery of a developing nation, coping without them would "not make for a very bright future," he said.

Recently, the "Paris Club" of Poland's creditors slashed about 50 percent of that country's official debt, totaling some 33 billion dollars.

Hashimoto said Japan plans to actively support the IDB and an increase in its voting share in the bank is vital for that purpose.

He urged the IDB to expand the voting share of its members outside the Western Hemisphere.

Countries outside the region, which are not permitted more than an 8 percent stake in the bank, have a 7.2 percent share, with Japan holding 1.1 percent.

Further on Possible Contribution

OW0804011591 Tokyo KYODO in English 0032 GMT 8 Apr 91

[By Ikuji Nakaya]

[Text] Nagoya, April 8 KYODO—A senior U.S. Treasury official Sunday called for Japan to share the burden in the proposed Multilateral Investment Fund [MIF] for Latin America.

Speaking on the first day of the 32nd annual meeting of the Inter-American Development Bank (IDB) here, David Mulford, U.S. Department of the Treasury undersecretary for international affairs, said the United States is prepared to provide one third of the 1.5 billion dollar fund over five years and has "invited Japan to share the leadership of this effort."

According to Finance Ministry officials, Mulford told Japan's FInance Minister Ryutaro Hashimoto the same day that the United States is expecting an equal contribution from Japan.

For his part, Hashimoto told reporters in the morning that Japan cannot give any specific figures before seeing the pledged U.S. contribution pass the U.S. Congress and consulting on the matter with other concerned countries. Hashimoto reiterated the term he used in his speech at the session, saying only that Japan will contribute an "appropriate amount" to the fund.

Mulford said the United States welcomes Hashimoto's morning statement and called the Japanese stance "constructive."

Government sources said earlier that Japan is close to reaching an agreement on providing 100 million dollars.

The fund, proposed under the Enterprise for the Americas Initiative (EAI) by President George Bush in June 1990, aims to provide direct support for the liberalization of investment regimes.

IDB President Enrique Iglesias said at the opening of the session, attended by Crown Prince Naruhito, that Latin America is now "engaged in sweeping internal changes and economic, social, and political modernization." Iglesias, however, said the region is still experiencing serious economic difficulties and that continuous reforms such as reorganization of the private sector, privatization, and development of the financial sector are necessary.

Peruvian President Alberto Fujimori gave a keynote speech in which he called for aid from the developed countries and international institutions, saying it is essential for his country, currently grappling with a cholera epidemic, to recover from its economic difficulties. Fujimori said Peruvians are willing to make sacrifices for economic reconstruction while the government proceeds with deregulation, cuts expenditures, and carries out privatization. He also insisted that rampant drug trafficking and terrorism will be dealt with firmly.

The Peruvian situation was also on the table the same day at an informal meeting held in the presence of Fujimori and attended by officials from Peru's creditors, including Japan and the United States, and representatives of the World Bank and the International Monetary Fund.

Mulford said in a press conference later that the informal meeting was "constructive," with the creditors taking note of Peru's commitment to economic reforms. It is important now that Peru restore relations with the international financial community and institutions, he said. Mulford said those attending the meeting agreed that "countries would have to come forward at some point and put up resources to assist in the process."

Peru has been seeking emergency aid from creditors, and Japan's Finance Ministry officials said discussions on Peru are likely to continue at the IMF meeting scheduled for the end of this month.

The Brazililian representative to the IDB, Minister of Economy and Planning Zelia Cardoso de Mello, also made a speech Sunday, in which he protested what he called recent movements to use the IDB for political purposes. A 350 million dollar social assistance credit to Brazil by the IDB was postponed in what Brazilian officials said was an attempt by the Group of Seven industrialized countries to pressure Brazil to speed up its talks with commercial banks on arrears payments.

Also speaking Sunday were representatives of Mexico, Argentina, the Netherlands, Colombia, the Dominican Republic, Spain, and Canada.

The IDB meeting, the first in Asia, will resume Monday morning and will last until Tuesday.

Japan 'Ready' To Extend More Economic Aid

OW0604045491 Tokyo KYODO in English 0332 GMT 6 Apr 91

[By Ikuji Nakaya]

[Text] Nagoya, April 6 KYODO—Japan is ready to extend more economic assistance to debt-ridden Latin

American countries if they implement austere policies to put their economies on track, one of Japan's top finance officials said Saturday.

"Japan fully intends to do all that we can to support nations and leaders who are determined to make the hard decisions and to endure the necessary difficulties on the road to economic reconstruction," said Makoto Utsumi, vice minister of Finance for International Affairs.

Utsumi made his remarks during a seminar held by the Inter- American Investment Corp. (ICC), affiliated with the Inter-American Development Bank (IDB). The IDB's 32nd annual meeting runs Sunday to Tuesday in Nagoya.

Increasing demand for credit worldwide, including in Central and Eastern Europe, and the cost of rebuilding the war-damaged Persian Gulf will make it necessary for debtor nations to practice austerity, he said.

"Where is all of this money to be found?" Asked Utsumi. Germany, which has been a major supplier of funds, has to concentrate on domestic needs caused by its unification, and oil-producing countries are busy financing their own and their immediate neighbors' capital needs, he said.

Equally, banks and other financial institutions in Japan, the United States and European countries are reducing their loans to meet new capital-to-asset-ratio requirements, set by the Bank for International Settlements, Utsumi said.

The world's immediate credit problems, however, should not cause financial institutions to become short-sighted, he said. "We must not allow the distraction of day-to-day news deter us from our long- term objectives."

Utsumi said Japan has lent Mexico 2.05 billion dollars through its Export-Import Bank under the so-called Brady Plan, named after U.S. Treasury [Secretary] Nicholas Brady.

The money, which exceeds loans from either the World Bank or the International Monetary Fund, was raised from Japan's Postal Savings, the Ex-Im Bank's fund source.

"So if Mexico sinks, Japan also sinks. We are in the same boat," Utsumi said.

Enrique Iglesias, IDB president, said there is a "greater and growing demand for healthy and profitable investment" in Latin America, which is in the process of modernizing and opening up to international trade.

"Japan will find adequate possibilities for investments and support, I'm sure," Iglesias said, in his opening speech at the seminar.

The Investment Corporation is an affiliate of the IDB, which has 44 member countries from Latin America, Asia, and Europe. It promotes private enterprise in Latin America and the Caribbean.

Several speakers at the seminar stressed Japan's willingness to help Latin American countries but pointed out that there are problems with providing credit to the region.

Kiyoshi Uemura, executive director of the Export-Import Bank of Japan, said the bank will continue to support the region by lending funds.

Hitoshi Tonomura, executive managing director with Nomura Securities Co., however, said there is "distance" between bankers in Japan and borrowers in Latin America.

"For Japanese money, Latin America is a kind of frontier," he said.

Several fundamental problems must be solved to build a closer capital relationship, Tonomura said.

They include preventing hyper-inflation, widening the variety of investment opportunities, increasing the efficiency of the capital market, and easing investors' concerns.

The last could be done by establishing standard rules on corporate accounting, providing adequate information and relaxing investment regulations, he said.

Kaoru Hayama, managing director of the Bank of Tokyo, pointed out the significance of direct foreign investment for economic achievement in the region.

Latin American nations must also be competitive in acquiring overseas capital, he said.

Peruvian President Addresses Meeting

PY0804023091 Lima RTP Television Network in Spanish 1908 GMT 7 Apr 91

[Speech by Peruvian President Alberto Fujimori at the 32d Inter-American Development Bank Board of Governors meeting in Nagoya, Japan on 7 April—recorded]

[Text] Mr. Ryutaro Hashimoto, president of the 32d annual Inter-American Development Bank [IDB] Board of Governors meeting, and Mr. Enrique Iglesias, IDB president:

Before I begin my speech at this important forum I want to ask Mr. Iglesias, whom I thank very much for the invitation, to allow me to extend my respectful salute to His Highness Emperor Hirohito [as heard], Prime Minister Toshiki Kaifu, and the entire Japanese people on behalf of the Peruvian Government and people. I received such a good welcome as Peru's president.

Allow me as well to make a special comment now that I am on Japanese soil. Peru and Japan established diplomatic relations for the first time 117 years ago. This event paved the way for the first Japanese immigration to Peru and other Latin American countries a few years later. Of the thousands of Japanese immigrants who came to America, two of them were my parents. Like all other immigrants, they labored to build a home in this new country that began to be theirs with hard, honest work. They also began to sow the future with children born and brought up in Peru, a country that welcomed immigrants with open arms from the very beginning.

This is why I felt great emotion, even though I am Peruvian, when I stepped on Japanese soil again, the land where my roots lie. I am visiting Japan as the president of

Peru, 92 years after the beginning of the Japanese immigration; this is a singularly important fact because Japanese culture and work made a significant contribution to Peruvian development. This is recognized by the Peruvian people, a multiethnic and multiracial society. This sentimental link between Peru and Japan was possibly the reason the Japanese people followed my political campaign with great sympathy. I remember with emotion that I was very warmly welcomed when, in July 1990, I visited Kumamoto, the land of my forefathers. Someone accompanying me wondered, in an ironic tone, why I did not present my candidacy here as well.

I know that the Japanese people identify themselves with us. I am grateful as a Latin American president of Japanese origin. I have the responsibility of leading a country in very difficult times. Because of the symbolic fact of my origin, I represent Latin America in a kind of cultural bridge between Japan and Latin American. As such, my last name can not only be written in Katakana, as reporters write it, but it can also be written in Kanji.

What happened in Peru can be seen as an example of what I say. My country's media humorously baptized my skyrocketing candidacy as a tsunami. The international media called it a Fujimori tsunami. If there was something special in my election, it was not the candidate who was hidden in the polls and set aside by the media and who, in barely three weeks, jumped to second place in the polls and then won the election. The special thing behind my candidacy was the great concern of an entire people who wanted to exchange humiliation for dignity. My mandate is concrete: Change the situation because the country cannot go any further; let us be truthful even if we have to humiliate ourselves to do it. This is my mandate: Truth and realism instead of demagogy and dabbling in politics. We are convinced, completely convinced—as is the rest of Latin America—that it is high time to reverse this situation with realism and courage, leaving taboos and ideologies and false nationalism and provincial beliefs behind. We do not have any other alternative but pragmatism; that is, we need a Latin American perestroyka. Some national and international observers and analysts predicted a large social explosion as a consequence of the unavoidable adjustment program that the new government would implement. I am sure that no one here would have envied my position as Peruvian president.

The annual inflation index for that month was 3,500 percent. The mistakes of the previous administration were almost absurd and fantastic. The total price increase for the previous five years was 2 million percent, resulting in the second most devastating hyperinflation of this century. The result of populist and demagogical policies in Peru was singularly dramatic. The country's per capita income in 1990 was similar to that of 1960, the year when the IDB began operations. Let us compare the situation with that of a decade ago: The country's capacity to generate energy had decreased by 40 percent, oil production had decreased by 60 percent, 70 percent of the road system was in serious disrepair due to a lack of maintenance, and exports had dropped by 40 percent in real terms. The Central Reserve Bank did not have international reserves, despite an accumulated debt of $14 billion, part of which was with multilateral financial institutions. Our foreign debt had grown to a level equivalent to six times our total annual exports during the past decade while the average debt in the region had decreased to less than four times exports. We had to begin from zero. It was not only a devastated economy, in the red with resources that were already spent or obligated, but with the delirious spectacle, for developed countries, of critical poverty, a high infant mortality rate, malnutrition, thousands of abandoned children, schools built with straw and brick as flooring, and mothers with eight or 10 children living in unhealthy shacks and without electricity or drinking water in miserable belts around Peruvian cities.

Peru has many natural resources in contrast with this calamitous social reality. Why the contradiction? Is it that Peruvians do not want to work? Let us not forget that a great native civilization lived in Peru and that its most outstanding characteristic was a culture of work and planning.

It was a real paradox to find several administrative obstacles in a poor country in need of investments. It took, for instance, 300 days of bureaucratic work, reams of paper, and dozens of signatures and stamps to create an engineering firm. This was truly a Kafkaesque process. Today we have a simplified system for company and property registrations. Businessmen today can create and register legal concerns in one day and with one single piece of paper.

This is very important for Peru because the so-called informal, underground, or parallel economy represents no less than 50 percent of the GDP and comprises thousands of general producers and shoppers. All this in a country where only 10 percent of the population has a good job. Thanks to the work of hundreds of thousands of Peruvians who work in this parallel economy, outside of the reach of the state, the Peruvian economic crisis is not twice as bad. You can understand then how much these people who work within a popular system of capitalism need a new state that will not bother them, a state that will allow them to do business and progress, create wealth, and make Peru rich.

We need to implement realistic policies in a country that faces great social difficulties. We need a stabilization policy, a consistent economic policy without concessions to demagogy. This implies confronting formidable resistance from some political sectors that are not yet convinced of the gravity of the historic crisis in our countries and who want to see us create an artificial well-being for today and uncertainties for tomorrow. It is hard, and terribly unpopular, to apply stabilization policies in an impoverished country such as Peru. But it would be even harder to lead the country to national and social disintegration as a result of its economic ruin.

In view of the dramatic alternative, my government—allow me to use a common Spanish expression here—decided to take the bull by the horns. We had to drastically reduce inflation and reduce a fiscal deficit that totalled 8 percent of the GDP to zero. The first stage—what I would call an emergency stage—was an economic program and a process leading to a real market economy.

After this first stage, during which we reduced hyperinflation and reestablished a relative climate of trust, we began an important structural reform to allow all Peruvians to produce, make a profit, and make the country progress. Obstacles for those who want to work and progress have been eliminated. The deregulation of confusing structures such as that of customs tariffs, price controls, and port controls is already a fact.

The government has also abolished all obstacles to the movement of capital and the all-powerful mechanisms controlling resources. We have began walking the path of economic rationalization, confident that the poor people of Peru will not be at the end of the path waiting for the country's total recovery, but accompanying the process and waiting for an opportunity that cannot be postponed. If they are given the appropriate priority—as has been well said by UN Secretary General Javier Perez de Cuellar—they will make their infinite possibilities a reality.

On the opening of the market, economic competitiveness, guarantees for investment and for rural and urban property ownership, the elimination of public and private monopolies, and the free play of supply and demand are basic elements of a healthy economy, but they will favor the population only if the parallel market is incorporated into the economy.

We believe we have walked the right path in the past eight months, and what is most encouraging, with the people's understanding. The Peruvian people are stoically bearing the crisis because they know they will have a different future at the end of the tunnel. Peru is tired of demagogy or easy answers. The people know we are a country with great natural resources, that we cannot continue wasting time, and that we cannot risk staying behind the train of history.

We have walked this path alone so far, without any help. This is why I believe in Peru, in the process of our reinsertion into the international financial organizations such as the World Bank and the IDB. These organizations have fertile soil in which to sow and sponsor development. I understand that is their main objective.

Peru also confronts, as you well know, the additional threat of narcoterrorism. The terrorist organization Shining Path, a Pol Pot- like organization, has spread destruction worth $18 billion in 10 years of madness; that is, the equivalent of our foreign debt. It operated alone in the beginning, but some time ago it discovered the advantages of an association with drug traffickers. The Shining Path does not receive support from any country, but it collects quotas from drug traffickers in exchange for protection from repression.

Today, the Peruvian Government is confronting these two scourges in a decisive manner. We are conscious that the struggle will not be easy because all Peruvian problems are interrelated. It is not possible to make an efficient inroad into these problems without developing the country's most backward regions, definitively defeating inflation, and eliminating critical poverty.

If we are to implement truly effective measures against drug trafficking it is first necessary to fully identify those who are involved. On one hand, we have the nearly 200,000 peasant families dedicated to coca cultivation. These families form a social and economic class that is very different from that of the drug traffickers. Peasants do not necessarily depend on coca. They can and usually, do cultivate any other product.

We have clearly established, however, that trading in alternative products—many of which can be more profitable and stable than coca and are legal—is practically impossible because peasants cannot deal with the many bureaucratic problems and the excessive regulations that are imposed on them by special interest groups inside and outside the public administration.

Coca is traded on an almost free market, while alternative products must make do in captive, overregulated markets. In order to give peasants an effective alternative and to efficiently interdict drug trafficking, we have to introduce structural reforms to reduce the cost of performing alternative activities and producing alternative products.

The IDB knows Latin America, its poor people, its potential wealth, its national aspirations, and its need for structural change. International financial institutions include in their budgets and programs funds to finance structural reforms, support the informal sector, fight drug trafficking, defend the ecology, and create instruments to promote development, and they obtain credits and donations for these ends.

I want to stress the efforts that a country like Peru is making today to reconstruct its economy. Peru deserves more understanding in a timely manner. The understanding and cooperation of the international organizations cannot merely look at this exemplary effort by an entire people.

Allow me to recall something pleasant. In June 1990 Michel Camdessus, after a meeting with UN Secretary General Javier Perez de Cuellar, Mr. Barber Conable, and Enrique Iglesias, referred to our proposal for reinsertion into the international financial system, and to our overall economic policies in general in a metaphoric manner: He said that what he had heard about the Peruvian president- elect sounded like celestial music. Today I want to say that we never wanted to sweeten the ears of the financial world with nice songs and do nothing about our proposals. You can see in my government honest words and celestial music turned into government policies. [applause]

The international organizations know how serious the Peruvian Government is and how willing it is to reform. We have never asked for preferential treatment, but for just, opportune relations. Under the present circumstances, speed and substance are essential. We need to deal with inflation, terrorism, and drug trafficking, which are presently adding to a regrettable cholera epidemic that according to some calculations, has resulted in $1 billion in losses. To confront these problems, we not only need the support of our people, but also opportune, effective aid.

Peru waits for the creation of a support group to begin its national reconstruction. We also need of a bit of celestial music played by the international organizations. I know it will happen. [applause]

Recalling that we are in Nagoya, Japan, in this extraordinary country, host of this important meeting, I want to say that we hope that the Japanese Government will appreciate the work of the IDB in developing Latin America and will use its influence to support it. Just as we have old neighborly relations with the United States, today on the Pacific Ocean we are building neighborly relations with Japan.

Latin America, and specifically Peru, want these neighborly relations to be as fruitful as possible for all parties involved. Let us share, without paternalism or subordination, the responsibility that falls on us as civilized human communities. The large industrialized countries need to know Latin America, evaluate its wealth, and help it overcome its impoverishment and isolation.

The benefits of the region's pacification in terms of human life and the economic benefits derived from the widening of markets will be beneficial to both parties.

Again, I ask Mr. Iglesias to allow me to send the Peruvian people's gratitude for the contributions by the Japanese Government and people to take care of the urgent needs of poor children in Peru. Those Japanese citizens who have donated their savings to build schools in Peru have helped fight poverty through education. Many thanks to them and to the Japanese Government. Thank you IDB friends for listening so patiently. [applause]

Peru Seeks Loans To Make Financial Comeback

OW0804101491 Tokyo KYODO in English 0925 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—President Alberto Fujimori of Peru said Monday his country is seeking assistance from creditor nations in its efforts to make a comeback to the international financial community.

Fujimori told a press conference that Peru expects its creditor nations to help it clear payment arrears to international financial institutions for fiscal 1991 and 1992, estimated at 1.3 billion dollars.

At the initiative of Japan and the United States, representatives from 20 creditor nations and multilateral lending institutions held an informal meeting with Fujimori on Sunday and agreed to support the cash-hungry nation.

The talks, intended to respond to a Peruvian plea to form a support group of creditor nations for the country, took place during the annual conference of the Inter-American Development Bank (IDB) in Nagoya, running from April 7-9.

Fujimori, who came to Japan for the IDB meeting, said if the aid materializes it would help "put an end to Peru's isolation from the international financial community," though he conceded the unofficial meeting failed to discuss the scale of the aid.

Peru has been cut off from new loans since 1988, a year after the president at the time, Alan Garcia Perez, suspended payments on 20 billion dollars of foreign debt.

Peru's external debts total 22 billion dollars, including 2.15 billion dollars to the International Monetary Fund (IMF), the World Bank, and the IDB and 7 billion dollars to the Paris Club of creditor nations.

Asked about his meeting with Prime Minister Toshiki Kaifu earlier in the day, Fujimori, the first national president of Japanese descent, said they agreed on the importance of forming a support group.

Summarizing his talks with Japan's financial authorities, he said Japan's response to his call for new loans was "friendly and positive."

The 52-year-old president also said Sunday's unofficial meeting gave him the impression that his government's bold economic reforms were highly evaluated by the participants, including Finance Minister Ryutaro Hashimoto and U.S. Treasury Undersecretary David Mulford.

Admitting that the reforms are squeezing a country already in an economic shambles, Fujimori said the programs, primarily aimed at checking the astronomical hyper-inflation, have produced marked results.

Since he took office last summer, monthly inflation has been brought down to a modest 7.7 percent, from a staggering 50 percent.

Fujimori was also hopeful about reducing price rises further, to an annual clip of about 10 percent.

Following in the footsteps of Mexico and other Latin American countries, Peru is also pressing ahead with privatization of its state-run corporations, about 20 percent of which are considered ineffective and responsible for increasing government debts, he said. Peru plans to sell 23 state companies, ranging from finance, and manufacturing to metals and services, he said.

Japan's Kaifu, Peru's Fujimori Meet

OW0804051391 Tokyo KYODO in English 0452 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—Prime Minister Toshiki Kaifu told Peru's president Alberto Fujimori Monday that Japan will provide an additional 36 million yen to help combat the cholera epidemic that has killed hundreds of Peruvians.

The sum is in addition to 35 million yen worth of medicine given in February, shortly after the epidemic broke out.

Kaifu also pledged to help victims of an earthquake that struck Peru April 4, killing at least 35 and injuring 750.

Kaifu made the offers in a 30-minute meeting with Fujimori, who is in Japan to attend the annual Inter-American Development Bank meeting that opened in Nagoya Sunday.

Meeting Fujimori at his official residence, Kaifu praised the Peruvian leader for his efforts to bring about economic reforms.

Kaifu said he believes a meeting Sunday between Fujimori and creditor institutions and nations, including Japan, is the first step toward resolving the economic difficulties facing the debt- strapped South American country.

In the Sunday meeting, representatives of Peru's major creditor countries and international lending institutions agreed that creditors would at some point have to provide more funds to Peru.

Peru was cut off from new loans in 1988 a year after then- president Alan Garcia Perez suspended payments on 20 billion dollars of foreign debt.

Since coming to office last year, Fujimori has introduced an array of belt-tightening measures that have brought down inflation, but have also caused discontent among many Peruvians who have seen their real earnings decline.

Fujimori told Kaifu that he is not seeking special treatment for Peru alone, but that all nations making earnest efforts to restructure and solve financial problems should be treated fairly.

Kaifu also repeated an invitation to Fujimori, the first person of Japanese descent to be elected leader of a country outside Japan, to visit Japan as a state guest.

Fujimori visited here last year as president-elect, but this was his first trip to Japan since taking office in July.

Japanese Minister, Peruvian President Meet

OW0604082691 Tokyo KYODO in English 0727 GMT 6 Apr 91

[By Atsuko H. Yamaguchi]

[Text] Nagoya, April 6 KYODO—Japan, the United States, and two international financial bodies will informally meet Peru on Sunday as a step toward aiding its struggling economy, a Japanese Finance Ministry official said Saturday.

The official briefed reporters on a meeting between Finance Minister Ryutaro Hashimoto and Peruvian President Alberto Fujimori earlier in the day.

"The president has worked hard toward economic reform despite the difficult problems facing his administration since taking office," Hashimoto was quoted as saying.

"We'd like to hear the actual conditions of the economic reforms taking place directly from the Peruvian Government," he said.

During the meeting, Lima is expected to give its creditors a rundown of the government's economic reform and adjustment efforts, and the state of its economy.

David Mulford, the U.S. Treasury's undersecretary for international affairs, Makoto Utsumi, vice minister for international affairs at the Finance Ministry, and representatives from the World Bank and the International Monetary Fund (IMF) are expected to take part in the meeting.

The Japanese Government is prepared to provide medical supplies and material aid to Peru to help combat the country's cholera epidemic that has claimed hundreds of lives.

Hashimoto said the government is "considering the provision of emergency aid," according to the Japanese official.

Fujimori appealed for additional aid during his meeting with Hashimoto by stressing Peru's continuing efforts to move forward with economic reform measures, despite the many obstacles it faces.

The Peruvian president is in Nagoya to attend the Inter-American Development Bank's three-day annual meeting, which gets underway Sunday.

Peru is currently bogged down by debts totaling 17 billion dollars. To become eligible for new loans, Lima must repay its debts to the IMF and other public lending agencies.

Therefore, Lima hopes to obtain financial assistance from the U.S., Europe, and Japan to help pay off its debts and regain eligibility for fresh credits.

Fujimori later discussed Japan- Peru economic relations at his hotel with Ryuichi Kato, chairman of the Nagoya Chamber of Commerce and Industry.

Fujimori appealed to the Japanese economic community for cooperation, saying his administration is doing its best to rebuild its economy by implementing a policy of burden sharing by the Peruvian people, officials at the meeting said.

They quoted Kato as saying Japanese enterprises are discouraged to invest in Peru because of guerrilla activities.

Brazilian Bank Chairman Criticizes Loan Decision

PY0704020691 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 6 Apr 91

[Text] Eduardo Modiano, BNDES [National Bank for Economic and Social Development] chairman, has criticized the decision of the IDB [Inter-American Development Bank] to suspend a loan to the Brazilian Government earmarked for social programs.

The IDB's decision to suspend a loan to Brazil for social programs was harshly criticized by BNDES Chairman Modiano in Nagoya, Japan, where he is participating in a seminar organized by the IDB itself on the occasion of its 23d annual assembly.

In Modiano's opinion, the IDB's tactless decision shows that the use of state-run enterprises for political purposes is not an exclusive characteristic of the Brazil of the past. Modiano believes the IDB is trying to put pressure on Brazil in its negotiations with the committee of creditor countries, which has nothing to do with the IDB's objectives.

Modiano, the first Brazilian representative to address this issue at the IDB meeting, said that the blocking of the loan, which took place on 27 March, even contradicted the opinion of IDB experts in charge of assessing projects.

Modiano talked about the challenges the private sector faced in 1990 to a 1000-person audience that included ministers of state, bankers, political leaders, businessmen, and even IDB Chairman Enrique Iglesias. Modiano also discussed the national reconstruction and privatization programs.

Bank President Agrees on ROK Membership

OW0804115791 Tokyo KYODO in English 1142 GMT 8 Apr 91

[Text] Nagoya, April 8 KYODO—Enrique Iglesias, president of the Inter-American Development Bank (IDB), has "principally agreed" to allow South Korea to join the bank, a South Korean official visiting here as an observer at the IDB's 32nd annual meeting said Monday.

Chin Yong-uk, director of the International Division of the Finance Ministry's International Finance Bureau, told KYODO NEWS SERVICE that South Korea is willing to become an IDB member "even if the share it can get is under 0.5 percent."

The bank is currently capitalized at 60.92 billion dollars.

The IDB currently allows nonregional members to hold only an 8 percent share. Japan has a 1.1 percent share.

Chin said Iglesias "principally agreed" on South Korea's participation, but he was not sure if it would happen immediately as it would mean a lesser share for other countries that are already members.

"If there is a capital increase, there is a chance," he said.

Chin said South Korea has been officially applying for membership since 1987.

He also praised a statement made on the opening day of the three- day IDB meeting by Japanese Finance Minister Ryutaro Hashimoto, calling for an increased role for nonregional members.

Joint Ex-Im Bank Loan Made to Trinidad and Tobago

OW0804034691 Tokyo KYODO in English 0310 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—The Export-Import Bank of Japan and the Inter-American Development Bank (IDB), with help from commercial Japanese banks, will lend Trinidad and Tobago 40 million dollars in untied funds, bank officials said Monday.

The money will be used for imports to modernize and expand Trinidad and Tobago's oil production facilities, without limiting the procurement source, they said.

This is the fifth time the Export-Import Bank and the IDB have made a joint loan.

ESCAP Meeting Continues

ROK Foreign Minister Remarks on Meeting

SK0804032891 Seoul THE KOREA HERALD (Supplement) in English 5 Apr 91 pp 1, 2

["Excerpts" of interview with ROK Foreign Minister Yi Sang-ok with the KOREA HERALD on the occasion of Korea's hosting of the 47th session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)]

[Text] Q: What's the significance of the nation hosting the 47th Session of ESCAP [Economic and Social Commission for the Asia and the Pacific]?

A: As the country enjoys an ever-improving image on the international scene, it became mature enough to hold the Seoul Commission, particularly due to the government's successful northern policy. Our proposal to host the 47th ESCAP Session was unanimously adopted at the 46th session held in Bangkok last year. Korea had not been able to hold it, although it was affiliated with the ESCAP in 1949.

We've set up the National Organizing Committee for the 47th ESCAP Session to make it a big success, based on quite a few experiences accumulated from various kinds of international conferences like the ADB Meeting in 1970, the Afro-Asian Legal Consultative Commission (AALCC) and the IMF/IBRD Meeting in 1985. Delegates to the 10-day international session are expected to reach some 1,000 from over international organizations, as well as the 48 member countries which break down to 38 member and 10 associate member countries.

The chief officials include C. Purevdorj, deputy premier for industrial affairs of Mongolia, Indonesian Foreign Minister Ali Alatas, Pakistan Finance Minister Sartaz Aziz, Sri Lanka Foreign Minister H. Herat, China's Vice Foreign Minister Liu Huaqiu and Vietnam's Foreign Minister Vu Khoan.

It is expected that the ESCAP general assembly will be conducive to bringing about more cooperation among the Asia Pacific countries which are becoming the focus of the world economy, and it also becomes a golden opportunity for our country to transfer its experiences to the developing countries in the region.

In addition, it will contribute to creating an atmosphere for Korea to join the United Nations as the commission is a subsidiary organ of the U.N. and the five permanent members of the U.N. Security Council-the United States, the United Kingdom, France, China and the Soviet Union—are all member countries of ESCAP.

Also it will provide a good chance to open official talks with countries that we don't have diplomatic ties with such as China and Vietnam.

Q: What kind of agenda will be discussed at the session?

A: The ESCAP Session has selected a package of discussion themes concerning the economic and social development of member countries every year to carry out subsequent practical measures from the session.

The 47th session of ESCAP has brought to light a significant agenda, "Industrial restructuring in Asia and the Pacific, in particular with a view to strengthening regional cooperation." It will adopt the Seoul Plan of Action based on the results of research or discussion.

In addition, it will delve into the post-economic impact of the Gulf war in the Asia-Pacific region. Those themes seem to be timely and appropriate at the time when the need is imminent to establish mutually complementary cooperative relations among the Asia-Pacific countries.

The other issue of significance to be discussed is the Uruguay Round negotiations to maintain the system of a free market economy at a critical time amid the protectionist trend that the world economy is experiencing in the form of economic blocs by each region. We're going to adopt a 'Seoul Declaration' to present the directions of cooperation in the 1990s in the Asia Pacific region after the Seoul Session.

Q: What kind of current role do you think is necessary for Korea to play?

A: In accordance with the government's northern policy, the country has welcomed the era of avant-garde diplomacy by expanding the scope of its activities in the international arena like the establishment of diplomatic ties with the Soviet Union, the set-up of a trade representative office in China and the opening of diplomatic ties with Mongolia, thus requiring an aggressive role in increasing cooperation among the Asia Pacific countries.

When it comes to the economic relations between Korea and the Asia and Pacific region, Korea's trade volume in 1989 reached some $16.5 billion with the developing countries which excludes such advanced countries as Japan, Australia and New Zealand in the region. Korea's overseas investment in this region accounted for 36.7 percent of the total last year, which makes it the second largest major investment area.

Korea has been expanding its role and scope of activities by providing funds for five organizations including the Asian & Pacific Center for Technology Transfer (APCTT) in terms of its cooperation with ESCAP-related organizations. Also the director of the Asian & Pacific Development Center is a Korean.

The Asia Pacific region has a close geographical proximity with the country which has imported resources from the region. It also has a big potential as Korea's major export market. We think it is high time to carry out an aggressive role by strengthening cooperation with the developing countries in the region in fully preparation for the Asia Pacific era.

Q: What do you think Korea can contribute to the ESCAP through the Korea-ESCAP Cooperation Fund (KECF) and what will be its future direction?

A: The ESCAP is the most active organization of the hotel five regional commissions which belong to the U.N. Economic & Social council. It is a unique government-wide commission in the Asia-Pacific region to cover all the area of trade, natural resources, statistics, energy, agriculture, communications, population, environment and other economic and social spheres.

Korea has been actively involved in ESCAP activities in economic and social development. The country has provided an annual $300,000 Korea-ESCAP Cooperation Fund since 1987. Starting this year we will increase the amount of the fund to $400,000. In addition, we have implemented a variety of development projects including a technical transfer project.

So far we have carried out 17 projects concerning human resource development, agricultural development and technical transfer. We are committed to expanding the scope of activities conducive to ESCAP.

China Announced as Next Host in Beijing

SK0804105591 Seoul YONHAP in English 0956 GMT 8 Apr 91

[Text] Seoul, April 8 (YONHAP)—China will host the 48th session of the Economic and Social Commission for Asia and the Pacific [ESCAP] in Beijing next year.

In the afternoon plenary session on Monday, head Chinese delegate Liu Huaqiu said, "Beijing wants to host the next ESCAP meeting in blooming season of next year on the occasion of the 45th anniversary of the commission."

A South Korean delegate in the meeting made a speech in support of China's plan, saying, "My delegation welcomes China's offer to host the next session."

Eleven other countries, including the Soviet Union, Indonesia, Iran and Australia, openly expressed their support. There were no objection raised.

Under ESCAP regulations, a proposal is adopted automatically when it faces no objection. The agreement is to go through a formal procedure of being reviewed by the U.N. Economic and Social Council and the U.N. General Assembly before being adopted as a final decision.

The commission also adopted "Regional economic cooperation in the ESCAP region: Prospects, priorities and policy options" as the theme topic for the 48th session. Delegates considered the theme to be particularly appropriate at a time when the commission itself has recognized its importance as a catalyst in the development process of the developing countries in the region.

Lao Deputy Minister Welcomes Korean Business

SK0604112391 Seoul YONHAP in English 1036 GMT 6 Apr 91

[Text] Seoul, April, 6 (OANA-YONHAP)—South Korea can stand by Laos in its bid to revitalize its national economy and improve the living standards of its people, said Souban Srithirat, deputy foreign minister of Laos, Saturday.

"Korean businessmen are welcome to my country and (their presence in Laos) can contribute to a better understanding between the two peoples," said Srithirat in answering a written interview with YONHAP News Agency.

The Lao minister is here to attend the ongoing session of the U.N. Economic and Social Commission for Asia and the Pacific (ESCAP). He is the first ranking Lao official to visit Seoul in nearly two decades.

"During my meeting here with Korean Foreign Minister Yi Sang-ok, I explained to him about my government's open policy featured by economic reform aimed at transforming the national economy into a market one," he said.

With a view to attracting foreign investments, he said, Laos has created necessary juridicial and financial devices.

"Our main concern is focused on, first of all, agriculture, forestry, livestock, electricity, infrastructure and tourism," he said.

Touching upon relations with South Korea, he said that the two countries did not make any official contact until 1990 when the foreign ministers of the two countries met at a U.N General Assembly.

The two nations broke off diplomatic ties in 1975, when a communist regime came into existence there.

He said that his "opportunity" to meet with Korean foreign minister, other officials and businessmen on the occasion of the 47th ESCAP session signifies that the two nations are in the process of gradually understanding each other's problems.

As for the inter-Korean relations, he said, "our government strongly supports the ongoing talks between Seoul and Pyongyang for a peaceful reunification of Korea and support all decisions made jointly."

Japan

LDP Secretary General Ozawa Resigns

OW0804055991 Tokyo KYODO in English 0534 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—Prime Minister Toshiki Kaifu on Monday accepted the resignation of Ichiro Ozawa, secretary general of the ruling Liberal Democratic Party [LDP], hours after the crushing defeat of the official LDP candidate in the Tokyo governor's election.

Ozawa met with Kaifu Monday morning at his office and conveyed his intention to resign to take responsibility for the loss.

Ozawa rebuffed intense efforts to persuade him to stay, by Kaifu himself and other senior party officials including former deputy prime minister Shin Kanemaru, Ozawa's mentor. Kanemaru is head of the largest LDP faction, founded by former prime minister Noboru Takeshita, to which Ozawa belongs.

Party sources said Ozawa will publicly announce the resignation at a news conference at 3 P.M.

There is speculation that Keizo Obuchi, also a House of Representatives member from the Takeshita faction and Takeshita's former chief cabinet secretary, will succeed Ozawa in the party's number two post, the sources said.

In the Tokyo governor's election, the official LDP candidate, former NHK newscaster, Hisanori Isomura, 61, was drubbed by conservative incumbent Shunichi Suzuki, 80, by a margin of almost 2-to-1, according to election results announced Monday morning.

Ozawa, who played a key role in giving LDP support to Isomura against the wishes of the party's Tokyo chapter, first expressed his readiness to resign Sunday evening amid signs that Suzuki was assured of victory.

Political sources said if Ozawa resigns, his successor as party secretary general—the most important executive job within the party—also will be from the Takeshita faction.

Other names mentioned as possible candidates include former justice minister Seiroku Kajiyama, and former Agriculture, Forestry and Fisheries Minister Tsutomu Hata.

Ozawa told reporters as he left Kaifu's office that "I conveyed to the prime minister my intention to quit as party secretary general."

Prior to election day, Ozawa had said publicly he was ready to take responsibility if the LDP lost the Tokyo race.

His decision to give Isomura national party backing, despite the Tokyo chapter's nomination of Suzuki, was in line with the LDP's informal coalition with the centrist opposition groups Komeito and the Democratic Socialist Party. The relationship has assured the LDP of support in the opposition-controlled House of Councillors.

Opinion polls prior to Sunday's vote had shown that many voters were reluctant to vote for Isomura. Among their complaints, they cited Ozawa's "strong-arm" selection of the former newsman for the race against Suzuki, a former bureaucrat and three-time incumbent, whom the LDP Headquarters branded as too old for another four-year term.

Ozawa became the secretary general in August 1989 when Kaifu was named the conservative party's president and the prime minister, and he led the party to a big win in the 1990 lower house Diet elections.

Political sources said Ozawa's resignation may not directly affect Kaifu immediately, but it will kill off whatever prospect he may have had of winning a second two-year term when his term as LDP president, and hence prime minister, ends in October.

Also, a shake-up of the LDP leadership at this point could jeopardize the government's political agenda, including plans for political reform and the establishment an official corps to take part in United Nations peacekeeping operations.

Ozawa has been guided by former Prime Minister Kakuei Tanaka, and regarded by many political observers as a rising LDP star, possibly a future prime minister. He has been the primary backer of the Kaifu government, which relies on the political muscle of the Takeshita faction. Kaifu comes from the smallest of the five major LDP factions.

Ozawa visited Moscow last month to meet with Soviet President Mikhail Gorbachev in preparation for Gorbachev's Japan visit next week.

Despite Ozawa's departure, two other party executives, Takeo Nishiokoa, chairman of the party's Executive Council, and Mutsuki Kato, chairman of the Policy Affairs Research Council, are likely to stay in their posts, party sources said.

Keizo Obuchi Succeeds as LDP Secretary General

OW0804144691 Tokyo KYODO in English 1406 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—Keizo Obuchi, newly elected secretary general of the ruling Liberal Democratic Party (LDP) succeeding Ichiro Ozawa, is a soft-spoken veteran lawmaker known as a close aide of former Prime Minister Noboru Takeshita.

Obuchi, 53, a 10-time member of the House of Representatives from Gunma Prefecture, north of Tokyo, belongs to the LDP's largest faction led by Takeshita, who twice picked him as chief cabinet spokesman during his premiership between 1987 and 1989.

Takeshita's faction is the main backer of Prime Minister Toshiki Kaifu, who is from the weakest LDP faction.

With a modest and gentle manner, Obuchi is known for his ability to make subtle political judgments and not openly to make enemies.

He has been contrasted with Ozawa, who prefers a more straightforward brand of policy-making and has a reputation for being "strong-armed," according to political sources.

Calling himself "a lily of the valley" in his constituency, Obuchi, nevertheless, is a tough politician, who has survived hard battles in his four-seat No. 3 Gunma Prefecture block.

The constituency has also returned former Prime Minister Yasuhiro Nakasone, former Prime Minister Takeo Fukuda who retired last year, and No. 1 opposition Social Democratic Party Secretary General Tsuruo Yamaguchi.

A practitioner of the Japanese martial art aikido, Obuchi has long experience in senior party and Diet posts. He was deputy party secretary general in 1984 and chairman of the budget committee of the lower house in 1986.

Obuchi was first elected to the lower house in 1963 during his days at the graduate school of Tokyo's Waseda University, succeeding his father to the Diet seat.

He first became a state minister in 1979 when the late Prime Minister Masayoshi Ohira appointed him to hold simultaneously the directorships of the Management and Coordination Agency and the Okinawa Development Agency.

At Waseda University, where he studied up to the graduate school, he was a member of the university's political debating club, whose former members include Prime Minister Toshiki Kaifu.

Political sources say Obuchi's first task in the key party post for supervising elections, diplomacy, and all party affairs, will be how to handle the tripartite cooperation among the LDP, Komeito, and the Democratic Socialist Party fostered by Ozawa.

The loose coalition has helped the ruling party pass important legislation through the opposition-controlled House of Councillors, such as the bill on financial support for the U.S.-led forces fighting Iraq in the Persian Gulf war.

International cooperation in the post-Gulf war era, especially with the U.S., and domestic reforms on land policies to combat rising prices, as well as reform of the electoral system, are among the most urgent policies for the LDP, the sources said.

Obuchi Remarks on UN Bill

OW0804150591 Tokyo KYODO in English 1327 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—Keizo Obuchi, new secretary general of the ruling Liberal Democratic Party [LDP], said Monday he hopes for an early start on drafting legislation to create a special corps for Japanese participation in U.N. peacekeeping operations.

Obuchi, a former chief cabinet secretary under Prime Minister Noboru Takeshita, also pledged to move forward with plans to submit a bill to the Diet on political reforms and revising the election system.

Obuchi, 53, was appointed to the No. 2 party post shortly after Ichiro Ozawa resigned to take responsibility for the defeat of the nationally backed LDP candidate in Sunday's election for the governorship of Tokyo.

At the polls incumbent candidate Shunichi Suzuki, who was backed by the local Tokyo chapter of the LDP, easily outpaced former Japan Broadcasting Corp. (NHK) anchor Hisanori Isomura and was elected for a fourth four-year term.

Obuchi offered an olive branch to the Tokyo chapter of the LDP, which was irate at the national headquarters for rejecting their choice of candidate.

Ozawa overrode the local chapter in order to secure backing in parliament from the opposition Komeito for Japan's 9 billion dollar contribution to U.S.-led multinational forces that fought in the Persian Gulf war.

"I am not thinking of meting out punishment. I hope that after sufficient consultations with the Tokyo branch we can work in harmony," Obuchi said in a news conference.

On expanding cooperation with U.N. peacekeeping activities, Obuchi said he would seek an early response from the LDP.

Last month the government submitted to the LDP a draft proposal to establish a new organization that could provide logistical support for U.N. operations in noncombat areas.

The proposal follows the defeat last fall of a government bill that would have enabled members of Japan's military to play support roles in conflicts approved by the LDP such as the Gulf war.

Ozawa had played a central role in seeking the legislation.

When it failed, Ozawa met counterparts in the centrist Komeito and Democratic Socialist Party and drew up a vaguely worded agreement to draft legislation to cooperate with the U.N. by providing personnel.

Ozawa's departure is not expected to have a major impact on the administration of Prime Minister Toshiki Kaifu, although Kaifu said he was sad to see him go.

"I rejected his resignation several times since last night," Kaifu told reporters.

Ozawa had served as secretary general since Kaifu became prime minister in August 1989, and had been an important supporter of the prime minister, who hails from the weakest of the LDP's five factions.

Kaifu's two-year term ends in October, and it is not immediately clear what impact Ozawa's resignation will have on who will occupy the prime minister's office come fall.

Ozawa's departure comes only a week before Mikhail Gorbachev is scheduled to visit Japan. Last month Ozawa traveled to Moscow for a meeting with Gorbachev that was acclaimed for helping create a positive atmosphere for the first visit ever to Japan by a Kremlin leader.

Analysts said Ozawa's political career would be little affected by the resignation. Ozawa has the support of powerful politicians such as former Deputy Prime Minister Shin Kanemaru, and is among the up-and-coming political stars believed to be in contention for the prime minister's post.

Impact of Change in LDP Leadership Viewed

OW0804103091 Tokyo KYODO in English 1004 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—Ichiro Ozawa, secretary general of the ruling Liberal Democratic Party (LDP), resigned Monday saying he was solely responsible for the defeat of the nationally backed LDP candidate in Sunday's election for Tokyo governor.

Former Chief Cabinet Secretary Keizo Obuchi, who like Ozawa is a member of the largest faction led by former Prime Minister Noboru Takeshita, was named to replace him as No. 2 leader of the LDP.

Ozawa told reporters in a brief news conference that the overall LDP victory in nationwide local elections Sunday showed the party garnered the trust of the people.

The LDP won more than 1,500 seats in elections for 44 prefectural assembly elections, its third best showing ever.

Ozawa said he alone was to blame for the defeat of former Japan Broadcasting Corp. (NHK) newscaster Hisanori Isomura, who was drubbed by conservative incumbent Shunichi Suzuki, who won nearly twice as many votes as Isomura in the Tokyo gubernatorial poll.

Before the race began, Ozawa persuaded the LDP's national headquarters to drop the support it had previously given Suzuki and join the opposition Komeito in backing Isomura.

The move was a bid to get Komeito's cooperation in parliament to ensure passage of a 9 billion dollar contribution to U.S.-led multinational forces fighting the Persian Gulf war.

It upset the Tokyo chapter of the LDP, which remained faithful to the 80-year-old Suzuki and campaigned to win him a fourth four-year term.

Ozawa, who as secretary general played an influential role in guiding Japan's policies for the Gulf crisis and in reconciling relations with the Soviet Union, was welcomed back by the Takeshita faction and promised a position as its deputy chairman.

His resignation is not expected to have a direct impact on Prime Minister Toshiki Kaifu, who in a meeting earlier in the day reluctantly accepted the resignation.

Ozawa served as secretary general since Kaifu became prime minister in August 1989, and has been an important supporter of the prime minister, who hails from the weakest of the LDP's five factions.

Kaifu's two-year term ends in October, and it is not immediately clear what impact Ozawa's resignation will have on who will occupy the prime minister's office come fall.

Ozawa told reporters intraparty cooperation is needed to help promote relations with the United States and the Soviet Union.

His resignation comes only a week before Soviet President Mikhail Gorbachev's Japan visit. Last month Ozawa traveled to Moscow for a meeting with Gorbachev that was acclaimed for helping create a positive atmosphere for the first visit ever to Japan by a Kremlin leader.

The cherub-faced 48-year-old, who has a reputation for despising public speaking, did not accept reporters' questions after reading his resignation statement at a televised news conference.

Analysts said Ozawa's political career would be little affected by the resignation. Ozawa has the support of powerful politicians such as former Deputy Prime Minister Shin Kanemaru and is among the up-and-coming political stars believed to have a shot at the prime minister's office.

Nationwide Local Elections Held 7 Apr

OW0804004891 Tokyo KYODO in English 0012 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—Reformist governors defeated conservative challengers in Hokkaido and Fukuoka prefectures to retain their posts in Sunday's nationwide local elections, in which governorships were contested in Tokyo and 12 other prefectures.

The governors in the 12 prefectures were decided in the day. But the new governor of the nation's capital, Tokyo, will not be known until sometime Monday because vote counting in Tokyo does not begin until Monday morning.

In the northernmost main island of Hokkaido, Takahiro Yokomichi, a 50-year-old incumbent backed by the largest opposition Social Democratic Party (SDP), Komeito, the United Social Democratic Party (USDP), and two minor opposition parties, was elected to a third four-year term, beating off both a conservative opponent supported by the ruling Liberal Democratic Party (LDP) and a candidate fielded by the Japanese Communist Party (JCP).

Hachiji Okuda, 70, backed by the SDP, the JCP, and the USDP, defeated his two conservative contenders, including one supported by the LDP, to win his third-term in the gubernatorial election in Fukuoka Prefecture in the southernmost main island of Kyushu.

A total of 46 contenders, including 10 incumbents, registered their candidacies March 18 for the governorship races. However, in most prefectures, the ruling and opposition parties joined hands in fielding incumbent governors or newcomers.

Candidates backed by the LDP, the No. 2 opposition Komeito, and the No. 4 opposition DSP were elected or reelected in Iwate, Ibaraki, Shimane, and Saga.

Iwao Kudo, 69, was elected the new governor of Iwate, and Isamu Imoto, 65, new governor of Saga, while Fujio Takeuchi, 73, was reelected governor of Ibaraki, and Nobuyoshi Sumita, 56, was returned as governor of Shimane.

Political showdowns between the conservative and reformist camps took place only in Hokkaido and Fukuoka.

In Osaka, the political and economic center of western Japan, Kazuo Nakagawa, 64, former vice governor of the prefecture, was boosted into the governorship with the backing of the LDP and five opposition parties, including the SDP.

In Kanagawa, southwest of Tokyo, Kazuji Nagasu, a 71-year-old scholar-turned politician, defeated two challengers including JCP candidate Tsuneatsu Tsuchiya to secure his fifth four-year term. Nagasu had the support of six parties, including the LDP and the SDP.

Incumbents Kikuji Sasaki, 69, and Morihiko Hiramatsu, 67, were reelected to their fourth terms as governors of Akita and Oita, respectively, while Yuji Nishio, 70, was reelected to his third term as governor of Tottori and Yukio Kurita, 61, to his second term as governor of Fukui.

In the mayoral election in Sapporo, the nation's fifth largest city, Nobuo Katsura, 60, backed by the LDP, Komeito, the DSP, and the USDP, defeated Fujio Sato, supported by the JCP.

Also at stake in Sunday's nationwide elections were 2,693 seats in 44 prefectural assemblies and 733 seats in municipal assemblies of 10 major cities.

A total of 3,810 persons, down from the 4,118 in the previous elections in 1987, filed to run in the prefectural assembly elections.

But a record 587 seats, almost one out of every five prefectural assembly seats, were filled without contest.

As of 11:30 P.M., the LDP had won 1,438 prefectural assembly seats, topping the 1,382 seats which it won in the 1987 local elections, while the SDP had won only 296 seats, and was expected to suffer a setback from the 443 seats it secured in the previous election once the final results are in.

The unified local elections, which are held once in four years, are the major political event of the year and are expected to set the future political course of the nation's local politics.

However, the voter turnout appears to have been the all-time lowest in all constituencies except Tokyo because of rainy and cloudy weather across the nation and the lack of any major nationwide election issue.

In Tokyo, voter turnout was 51.56 percent, up 8.37 percentage points from the previous election.

The Tokyo gubernatorial election has drawn nationwide interest because of a split that developed within the LDP and the DSP in the candidate selection process.

If Shunichi Suzuki, an 80-year-old incumbent backed by the local chapters and Tokyo assembly members of the LDP and the DSP, defeats Hisanori Isomura, 61, a former news anchorman of Japan Broadcasting Corp. (NHK) supported by the national headquarters of the LDP and the DSP as well as Komeito, would likely affect the future of the LDP leadership.

Suzuki Wins 'Stunning Victory'

OW0804032691 Tokyo KYODO in English 0243 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—Conservative incumbent Shunichi Suzuki scored a stunning victory in Tokyo's governorship election Monday morning, with an early projection of votes cast in Sunday's poll showing he had easily beaten off a challenger put up by the ruling Liberal Democratic Party and two opposition parties.

With 74 percent of the votes counted, Suzuki was leading by 1,762,891 votes to 1,093,000 for his nearest challenger, former television newscaster Hisanori Isomura.

Suzuki, 80, claimed victory at 9:40 A.M., less than two hours after ballot counting began, celebrating with traditional cries of "banzai" at his campaign headquarters.

He was the 10th incumbent governor returned by voters in elections held throughout the nation Sunday.

Suzuki's victory, which had been widely predicted in opinion polls prior to the vote, represents a major setback for the LDP, which had enjoyed unprecedented success throughout Sunday's tallying of results from local assembly and mayoral elections.

Suzuki, backed by local branches of the LDP, turned back the challenge of Isomura, backed by an alliance of the LDP and the centrist opposition parties, Komeito, and the Democratic Socialist Party.

LDP Secretary General Ichiro Ozawa, the key LDP figure responsible for putting forward the challenge by Isomura, met with party elders Sunday evening and indicated his readiness to step down amid predictions of an assured Suzuki victory.

The LDP, which had backed Suzuki in his three previous gubernatorial election campaigns, had thrown its support behind Isomura at the urging of Ozawa, who cited the incumbent's advanced age as the reason for seeking a new candidate. Local branches of the LDP in the capital defied the decision, and insisted on backing Suzuki.

Political analysts have suggested that if Ozawa goes ahead with his offer to resign, it could undermine the administration of Prime Minister Toshiki Kaifu.

On Monday, as early as 20 minutes after tallying began in 64 locations throughout the metropolitan area, Suzuki took such an overwhelming lead that he was declared a "certain winner."

Counting of the 4.62 million ballots continued throughout the morning with an official tally expected later in the day. Despite incessant rains that discouraged voter turnout Sunday, some 51.6 percent of Tokyo's eligible voters cast ballots—an increase of 8.37 percent points over the previous governor's election.

The victory gives Suzuki, a former member of prewar Japan's powerful Home Ministry with a long public service record, a fourth four-year term in charge of the capital's administration. During his first term he is credited with rescuing Tokyo from a tide of red ink that threatened the metropolis, but has faced criticism lately over two controversial projects—the construction of the recently opened city hall in Shinjuku and a proposal for the redevelopment of the Tokyo waterfront area.

Isomura, a former broadcaster for the Japan Broadcasting Corp. (NHK), was offered by the tripartite alliance as a "cosmopolitan" candidate urging a residents' tax cut and a renaissance of "culture" for Tokyo.

Campaign analysts suggested, however, that voters may have considered him too likely to be a yes-man for the ruling party.

Business Leaders on Elections

OW0804064491 Tokyo KYODO in English 0522 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—Japanese business leaders attributed conservative incumbent Shunichi Suzuki's victory in Tokyo's gubernatorial election Monday to a high voter rating of his performance in his past three terms.

But Liberal Democratic Party (LDP) Secretary General Ichiro Ozawa's resignation in connection with the election results stirred concern over the political outlook in the business community.

Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), said Suzuki's victory reflects the voters' high rating of his performance in the past.

Hiraiwa, who supported former television newscaster Hisanori Isomura in the election, said he was sorry for Isomura's defeat.

"Whoever wins, we have basically the same expectations for the governor—the decentralization of Tokyo and a solution to its garbage disposal problem," he said.

Commenting on Ozawa's resignation, Hiraiwa said it makes the political outlook "uncertain." Ozawa and the national headquarters of the LDP backed Isomura in the election, but the Tokyo chapter of the party supported Suzuki.

Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry (JCCI), said Suzuki's victory stemmed from his "fair and clean personality."

The JCCI remained neutral in the election, but most leaders of the organization personally supported Suzuki.

Ishikawa expressed hope that Suzuki will try to restore good relations with the LDP.

Eiji Suzuki, president of the Japan Federation of Employers Associations (Nikkeiren), said Tokyo voters expressed support for the incumbent's past policies.

He said, however, that the latest local election results showed division between the conservative and middle-of-the-road forces and a lack of communication between Tokyo and outlying areas.

SDP Chairwoman Doi Not To Step Down

OW0804081891 Tokyo KYODO in English 0633 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—Socialist Democratic Party (SDP) Chairwoman Takako Doi said Monday she will not immediately step down from her post following the party's crushing defeat in the Tokyo governorship election.

She said, however, there might be drastic reforms within the party after nationwide mayoral and local assembly elections later this month.

Although Secretary General Tsuruo Yamaguchi earlier indicated he would resign, Doi said it was her duty to make the most of the next round of elections, indicating she will not step down immediately.

The SDP suffered a serious blow in the Tokyo race, failing to garner 10 percent of the vote, which may force the party to forfeit the registration fees for their candidate.

The SDP fell to last place in total number of governorships held and fell behind even the Japanese Communist

Party in number of votes. The SDP apparently could not even match its previous low number of votes, 396,000, garnered in 1983.

In the last gubernatorial election, they had 749,000 votes, 50,000 more than the total won by the Japanese Communist Party.

In its statement on the results, the SDP said that it was greatly disappointed and needed to reflect on its inability to hammer out policies and campaigns that attracted supporters.

The SDP and Doi enjoyed a great surge in the last unified local election, when the unpopular sales tax was the main focus, and increased its Diet seats in the last general election.

The Doi administration, however, has drawn criticism from within the party for its lack of initiative on significant political issues. It failed in negotiations with other opposition parties to forge a coalition government and has been isolated on urgent issues such as international peace efforts and the consumption tax.

DPRK Ready To Accept Nuclear Inspections

OW0804123191 Tokyo KYODO in English 1221 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—North Korea is ready to conditionally accept an international pact calling for inspection of nuclear facilities capable of producing nuclear weapons, the chief of a North Korean delegation said Monday.

Chong Chun-ki, chairman of the Korean Committee for Cultural Relations with Foreign Countries, indicated North Korea's position in an interview with KYODO NEWS SERVICE.

A safeguard measure against nuclear weapons through the International Atomic Energy Agency (IAEA) is one of the key issues pending in normalization talks between Tokyo and Pyongyang.

In the interview, Chong said there are 1,000 U.S.-made nuclear weapons in South Korea posing a direct threat to the North, and reiterated Pyongyang's stance that nuclear arsenals in the South should also be opened up to IAEA inspection.

The former vice premier balked at Seoul's bid for single membership to the United Nations, saying the South Korean move is adversely affecting inter-Korean prime ministerial talks, currently deadlocked.

Chong also said Pyongyang will soon present a new plan for the reunification of Korea.

He said the Japan-North Korea talks aimed at normalizing their relations are progressing in a friendly atmosphere, and hoped they would produce favorable fruits.

Chong, currently vice chairman of the Foreign Affairs Committee of the parliament, is visiting Tokyo as the first former North Korean vice premier to do so.

Kaifu Returns Home From U.S. Summit

OW0604000591 Tokyo KYODO in English 2339 GMT 5 Apr 91

[Text] Tokyo, April 6 KYODO—Prime Minister Toshiki Kaifu returned home Saturday morning from Los Angeles following his summit meeting with U.S. President George Bush in California Friday.

Kaifu had requested the summit to solidify Japan-U.S. relations, tarnished by criticism of Tokyo's response to the Persian Gulf crisis, and to discuss trade issues.

Kaifu is to attend a Tokyo gubernatorial campaign meeting at the headquarters of the Liberal Democratic Party later Saturday morning and will make campaign speeches in the streets of the capital all day, in preparation for the elections Sunday.

Opposition Parties Comment on Kaifu-Bush Talks

OW0604114091 Tokyo NHK General Television Network in Japanese 1000 GMT 5 Apr 91

[Text] Opposition parties in Japan issued statements on the recent Japan-U.S. summit meeting as follows:

The Social Democratic Party of Japan [SDPJ] said that Mr. Kaifu in the meeting has done nothing but praise and voice support for the U.S. leadership. The party said the rice issue is not a matter to be discussed bilaterally and should be settled at the Uruguay Round of trade talks.

The Komeito said that Japan should take seriously the fact that Mr. Bush spoke about the rice market opening issue. The party said that behind this situation is growing dissatisfaction with Japan in the U.S. Congress and elesewhere. The party noted that it could have an adverse effect on trade in construction and automobile industries.

The Japan Communist Party said that Mr. Bush requested Japan's full cooperation in the Uruguay Round and measures dealing with the Gulf. The party insisted that it is a grave matter that the rice issue was formally on the summit agenda and added that Japan should not kowtow to any power.

The Democratic Socialist Party noted that even though it was useful that the top leaders of the two countries exchanged views frankly, special measures were left for further discussions. On the rice issue, the party said Japan must make stepped-up diplomatic efforts so that Japan's position desiring success at the Uruguay Round may be better understood.

The Social Democratic Federation contended that Mr. Kaifu in the meeting positioned the United States as the only superpower of the world and proposed that Japan fulfill its role only in the economy. The group called it a poor idea.

Government To Tackle U.S. Trade Issues

OW0504132091 Tokyo KYODO in English 1230 GMT 5 Apr 91

[Text] Tokyo, April 5 KYODO—The government will tackle trade issues with the United States squarely after Prime Minister Toshiki Kaifu returns Saturday from a summit with U.S. President George Bush, government sources said Friday.

The thorniest among such issues will be whether and when to open the Japanese rice market, they said.

Government leaders will grope for the timing of a political decision on liberalization of the rice market while closely following developments in the Uruguay Round of multinational trade talks as well as debates in the U.S. Congress on a request by the Bush administration for an extended "fast-track" negotiating authority for international trade agreements, the sources said.

Chief Cabinet Secretary Misoji Sakamoto said the government hopes to negotiate with both the United States and Western Europe on the rice issue.

Japan's position is that the rice issue should be negotiated and solved through multilateral negotiations, he said, adding that Kaifu and Bush are "free" to discuss the question.

Sakamoto said the two leaders engaged in a frank exchange of views and the government believes the summit helped patch up bilateral relations, shaken over Japanese means of contributing to the Persian Gulf war.

A senior government official told reporters that Kaifu referred to the U.S. "waivers clause" and the European Community's variable tariffs for the protection of agricultural industry at his meeting with Bush.

All parties should "share the pain" in order to make the multilateral trade negotiations a success, said the official, who declined to be named.

A senior official of the Foreign Ministry said Kaifu and Bush reaffirmed that the rice issue should be solved at the trade talks, while a ruling Liberal Democratic Party leader emphasized the need for both Japan and the United States to settle outstanding trade problems to avoid making rice trade a symbolic issue.

Party officials concerned with agricultural affairs are scheduled to meet next week to once again mull Japan's rice policy, including self sufficiency in farm production and the food-for-national-security concept.

Earlier Friday, the central union of agricultural cooperatives, known as Zenchu, issued a statement expressing appreciation for Kaifu's handling of the rice issue at the summit.

The statement said Kaifu stressed the importance of Japan's present agricultural policy to avoid having rice become a "scapegoat" of U.S.-Japanese trade friction.

The same day, Motoji Kondo, minister of agriculture, forestry and fisheries, reiterated that Japan will not give in to U.S. demands for an end to the ban on rice imports.

"There is no need for Japan to alter its rice policy," Kondo told a news conference.

On another front, the Ministry of International Trade and Industry said Japan would maintain "orderly" exports of cars to the United States under its agreement on voluntary restrictions.

Japan currently limits its car shipments to the United States to 2.3 million units a year.

Government sources said Japan would come under pressure to compromise in order to break an impasse in negotiations for the opening of Japan's contruction, semiconductor and automotive markets.

Meanwhile, major opposition parties expressed displeasure over the outcome of the Kaifu-Bush summit.

The Social Democratic Party of Japan said the summit failed to build a genuine global partnership between Japan and the United States, while the Komeito expressed doubt that Kaifu and Bush made progress in their talks on various pending issues.

Tokyo, LDP Take U.S. Rice Remarks Seriously

OW0604193691 Tokyo NHK General Television Network in Japanese 1000 GMT 5 Apr 91

[Text] The government, the Liberal Democratic Party [LDP], and some agricultural orgnizations are taking as a serious matter the fact that President Bush reiterated his call on Japan to open up its rice market.

Overriding views among them are that Japan-U.S. relations will deteriorate if Japan goes on refusing to accept rice imports. Within the government and the LDP, as a result, voices are now beginning to say that Japan will have no choice but to become a little more flexible on the rice issue if the Uruguay Round is to be successfully concluded.

In this connection, a high-ranking government official said on the evening of 5 April that since both countries have a soft spot, Japan over the rice issue and the United States with its waiver article, they share the same kind of pains and should turn the Uruguay Round talks into a success.

Regarding agricultural products meeting resistance within the countries on opening up their markets—rice for Japan and cotton and peanuts for the United States—the official gave his view that there is a need to adopt a new international rule to delay the opening of such sensitive markets for a limited period.

As seen from this, there are now voices within the government and the LDP, suggesting a need to review the policy on complete self- sufficiency of rice. The government stands on a turning point with regard to the issue of opening the rice market with farm negotiations in the Uruguay Round trade talks to resume on a full scale this summer.

Official Dampens Rumors of Rice Market Opening

OW0804064091 Tokyo KYODO in English 0623 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—A senior official of the Agriculture, Forestry and Fisheries Ministry on Monday dampened speculation that the government may ease strict controls on rice imports now that local elections are over.

Shigeru Motai, vice agriculture minister, told a news conference it is unlikely that Prime Minister Toshiki Kaifu now will raise the issue for debate in the government.

There is growing speculation that Kaifu will move to build support in the government for relaxing Japan's controls on rice imports.

Japan virtually bans imports of rice, the staple food in the country, arguing the staple is necessary for national security.

Motai said Kaifu and U.S. President George Bush reaffirmed at their meeting in Newport Beach, California, last week that the rice issue should be solved within the framework of multilateral trade talks under the General Agreement of Tariffs and Trade (GATT).

Further on U.S. Commerce Secretary's Visit

OW0504105491 Tokyo NHK General Television Network in Japanese 1000 GMT 3 Apr 91

[Text] U.S. Commerce Secretary Mosbacher, who is currently visiting Japan, held talks with Prime Minister Kaifu and stressed that the United States for its part would make efforts to increase the export of its products to Japan in order to resolve its trade deficits. At the talk, Secretary Mosbacher said that U.S. corporations are making continuous efforts to increase exports to Japan by manufacturing products that meet with Japanese specifications, and that further efforts will be made to promote its exports.

In response, Prime Minister Kaifu said that the government had submitted to the current Diet session, a series of bills concerned with opening the Japanese market in accordance with the agreement reached in the Japan-U.S. Structural Impediments Initiative talks. Such bills, he said, included the revision of the large-scale retail stores law. Pointing out that even according to U.S. statistics, its trade deficit with Japan had decreased, Prime Minister Kaifu said that Japan would try hard to correct the imbalance in trade.

Earlier today, Secretary Mosbacher met with former Minister of International Trade and Industry [MITI] Muto and strongly requested that Japan open its rice market at the meeting. In response, former MITI Minister Muto said that Japan for its part must support the free trade system in the world and must consider a minimum level acceptance of rice imports. However, he added that in the case of accepting imported rice, the quantity of imported rice should remain unchanged for some time and that during this period, it will be necessary for Japan to carry out structural reform in agriculture. Thus, he indicated his idea of tolerating the partial import of rice.

This afternoon, Secretary Mosbacher, together with members of a joint government-private sector delegation, held talks with leaders of the Keidanren, the Japan Federation of Economic Organizations, including its president Gaishi Hiraiwa. In this meeting, Secretary Mosbacher said that except for oil, the U.S. trade deficit accounts for a large portion of its total trade deficits, and there is a move to raise questions on this trade imbalance. However, noting that this particular delegation represents only private U.S. companies that are serious about increasing their exports to Japan, Secretary Mosbacher asked Keidanren leaders for their cooperation.

In response, the Keidanren side stated that it certainly is most agreeable that further efforts are made to advance into the Japanese market, and promised that it would offer its cooperation so that efforts made by American companies will have good results.

Upcoming Gorbachev Visit Issues Viewed

OW0604095691 Tokyo KYODO in English 0917 GMT 6 Apr 91

[By Time Johnson]

[Text] Tokyo, April 6 KYODO—Japan's traditionally frigid ties with the Soviet Union may be in for a springtime defrosting if Soviet President Mikhail Gorbachev brings to Tokyo a workable proposal to resolve the two countries' protracted dispute over four Soviet-occupied islands on their shared North Pacific frontier.

As Gorbachev's long-awaited April 16-19 visit approaches, Japanese are engaging in 11th-hour speculation on whether he will take a stance on the territorial issue that ensures the first ever visit by a Soviet leader to Japan goes down in history as a watershed event.

One senior Foreign Ministry official cautioned against groundless expectation, saying even at this late stage, "there is no movement on the territorial issue whatsoever. We don't know yet what the Soviet side is going to do."

But judging from Soviet diplomatic precedent, the official said, "it has been a sort of golden rule ... that if anything should come up, it would come at the very end," possibly to maximize the effect of whatever Gorbachev is to propose.

On the other hand, he said, "it may well be that Gorbachev is still thinking."

Hokkaido University Prof. Hiroshi Kimura, a prominent Japanese expert on the Soviet Union, said if Gorbachev were to boldly address the territorial issue, the wintry Japanese attitude toward Moscow "could change dramatically overnight."

"But I am 90 percent sure there will be nothing spectacular and Gorbachev will go back to Moscow saying this visit was insufficient to resolve the longstanding issue," he added.

A Tokyo-based Soviet diplomat lamented that the Japanese media has drummed up excessively high hopes Gorbachev will make a "radical proposal" regarding the territorial problem when he comes.

"Gorbachev has repeated time and again that it is very difficult to solve it in one visit," the diplomat said.

Alluding to the surge of separatist sentiment in the Soviet Union and recent polls showing the majority of Soviets opposed to any territorial concessions to Japan, he said, "in the present situation, it is very difficult to expect something big, something radical."

Much of the guesswork sweeping Japan envisions Gorbachev, hungry for Japanese assistance to prop up his ailing economy, pledging to cede Shikotan and the Habomai group, the smallest of the four disputed islands seized by the Soviet Army at the end of World War II.

Considering Moscow once promised the two islands to Japan in a 1956 joint declaration, Gorbachev would find their transfer easier to justify to his power base than the loss of the considerably larger Kunashiri and Etorofu, over which the legality of Japan's claims does not hold up as well to close scrutiny.

Indeed, a senior ministry official told the Diet last month that Moscow appears to be moving toward honoring the 1956 pledge, which it reneged on four years later amid an escalation of the Cold War.

But Japanese officials insist that would not be enough to clear the way for a belated peace treaty, which they say is needed to free the Japan-Soviet relationship from the shadow of World War II and allow the germination of fully fledged, multifaceted ties.

"The territorial issue ... means the question of Kunashiri and Etorofu," said a Foreign Ministry official. "A Soviet offer of only two islands would be unsatisfactory as it would merely bring the two parties back to the positions they held 35 years ago."

Some political observers suggest Gorbachev might, in addition to pledging the transfer of the two smaller islands, agree to talks being continued over the two larger islands.

One ministry official said such an eventuality would be deemed "an improvement" by Tokyo and could open the door for greater Japanese economic assistance, but not on the scale contemplated if Japanese sovereignty over all four islands were to be recognized.

The official said transfer of two islands and proposed talks on the others would warm relations, including in the economic area, but not lead to full normalization of ties.

Gorbachev, in a recent interview with KYODO NEWS SERVICE, said he has already discussed with the Japanese side the essence of his visit, and thus "no surprises are expected in Tokyo ... unless of course the Japanese come up with something."

But a ministry official said it would be "impossible for Japan to concede on matters of substance," namely a solution short of the ultimate transfer of all four islands.

Soviet diplomats said Gorbachev meant he wanted Japan to "meet the Soviet Union halfway," in arriving at a settlement that would take into account "present and historical realities."

The diplomats said the reference to historical realities implies that whatever becomes of the islands, the Soviet Union will not concede that its justifications for staking claim to them at present are in any way incorrect.

One diplomat said the 1956 offer to Japan of Shikotan and the Habomais was merely a "gesture of goodwill" which in no way signified a revision of the results of the World War II.

The reference to "present realities," meanwhile, refers in part to the fact there are three generations of Soviets living on the islands, numbering in the tens of thousands, he said.

The diplomat described the situation as being "very negative for Japan," as the island residents recently voted overwhelmingly against their transfer to Japan and there is stiff opposition from the increasingly independence-minded Russian Federation, which includes the islands.

Finally, there is the problem of a territorial deal with Japan [word indistinct] into question the legitimacy of the Soviet Union's postwar borders elsewhere in the world and the effect it could have in fanning separatist sentiments in restive Soviet republics.

Japan refers to the islands as its inalienable "northern territories," though in its initial postwar claims the scope of that expression took in all islands seized by the Soviets, including the entire Kuril archipelago and the southern half of Sakhalin Island.

To the impartial observer, Kunashiri and Etorofu appear on a map as the southern portion of the Kurils, a chain of volcanic islands and rocky protrusions stretching from the Kamchatka Peninsula in Soviet Siberia to Hokkaido, the northernmost of Japan's four main islands.

But Japan's current position argues the two islands are geographically and historically distinct from the Kurils, to which it renounced all rights and claims in the 1951 San Francisco peace treaty.

Accusing Japan of only having drawn those distinctions after the war to buttress its claims, Moscow points out that at the 1951 peace conference then Japanese Prime Minister Shigeru Yoshida recognized for the record that Kunashiri and Etorofu comprise the "South Kurils."

That view was confirmed shortly after by Yoshida and the ministry's top legal expert before the Diet and according to Sophia University Prof. and historian Gregory Clark, "it was taken for granted at the time that the two islands were part of the Kurils."

Clark noted that Japan's about-face was prompted by ultranationalists and an American warning at a crucial juncture in the 1956 Japan-Soviet normalization negotiations that if Japan went ahead and recognized Kunashiri and Etorofu as Soviet territory, as it was about to do, the U.S. would then ask Japan to confirm occupied Okinawa to be American territory.

In contrast with the two larger islands, Shikotan and the Habomais, which lie slightly off the Kuril range, have been considered by the Japanese since before the war as appendages of Hokkaido. The Soviet Union considers them to be the "minor Kuril range."

To the Soviets, the four resource-rich islands serve as productive extensions of the Soviet Far East, straddling one of the world's richest fishing grounds.

They also serve as strategic outposts for the Soviet military, guarding the straits to the sea of okhotsk and facilitating Soviet deployment in the Pacific.

Japan wants the islands returned out of similar strategic and economic considerations but with the added incentive of wiping away a perceived injustice rooted in Stalinist expansionism.

Little Business Expected From Gorbachev Visit

OW0504130391 Tokyo KYODO in English 1244 GMT 5 Apr 91

[By Mitsuru Mabuchi]

[Text] Tokyo, April 5 KYODO—All the zealous talk about the possible political outcomes of Mikhail Gorbachev's visit to Japan notwithstanding, Japanese trade officials and businessmen have no illusions that the beleaguered Soviet leader will bring along a shopping list capable of turning the languishing bilateral trade into a bonanza.

The expected request for mammoth financial assistance may provide some lucrative business opportunities to Japanese trading houses and engineering companies, and they are certain to check out any chances that come along.

But that is unlikely to add up to any measurable upsurge in the puny exchange of goods and services between the two countries, officials of the Ministry of International Trade and Industry (MITI) said.

"Gorbachev's visit will have little if any impact on the bilateral trade," said a senior official of MITI's Soviet Union and Eastern Europe office.

"The doubts harbored by Japanese businesses about the profitability of most of the proposed joint projects, as well as about the viability of the Soviet economy generally, are too serious for them to rush to blindly at any and all offers," the official, who refused to be identified, said.

The list of economic maladies that trammel bilateral transactions is ruefully long: Poor infrastructure, a fuzzy decision making system, sloppy corporate management, the lack of reliable data and statistics, a substandard workforce, and a lack of understanding by the Soviets of capitalist concepts like stocks, costs and benefits, and interest rates.

All these obstacles, not to mention troublesome political incidents like the Soviet invasion of Afghanistan in 1979 and the international ruckus over Toshiba Machine's illegal exports of high- tech products to the Soviet Union in 1987, have kept a heavy lid on bilateral trade throughout the 1980s.

Japan's exports to the Soviet Union, amounting to 2.6 billion dollars in 1990, accounted for only 0.9 percent of total Japanese exports, while imports, 3.3 billion dollars' worth, came to only 1.4 percent of all imports.

The figure for overall annual transactions of 5.9 billion dollars is roughly on a par with those for Japan's trade with Switzerland or the Netherlands, and bilateral trade is expected to fall further, by about 20 percent, in 1991.

Few would argue that the needed shot in the arm for Japan's business ties with the Soviet Union would be a more active development of natural resources—crude oil and natural gas in particular—in the Soviet Far East region, since there are few other competitive products the Soviet Union can offer.

But to the chagrin of both a resource-hungry Japan and a cash- hungry USSR, two of the most promising oil and gas deposits in the area—at Yakut and off Sakhalin Island—are either hidden deep under drift ice or a long way from the Japan-Soviet border, making them less than glamorous in terms of profitability.

Exploitation of natural gas in Yakut would require 4,000 to 6,000 kilometers of pipeline, or some pricy alternative transportation means, to bring it to Japan, and thus is quite dubious from the profit viewpoint, says Yoshiaki Takahashi, a staff specialist for Petroleum Development Engineering with the Agency of Natural Resources and Energy.

A proposed project to tap the gas there was shelved after the two parties agreed that concrete talks are likely to go nowhere at the moment.

Development off Sakhalin, something of a "treasure island" in terms of resources, poses another nettlesome problem—drift ice.

The floating ice—lovely as it may be to behold in wintertime—makes drilling off the island a costly proposition.

"The moving ice that drifts around the island every winter presents extremely tough conditions for drilling for natural gas, probably the toughest in the world," said the energy agency's Takahashi.

"Building a platform that is sufficiently safe against such ice would be too costly for the development projects there to be economically viable," he said.

Not surprisingly, the long-mooted projects to explore the two deposits off Sakhalin—Chaivo and Odoptu—show no signs of moving ahead rapidly despite confirmed huge reserves.

There is one project, however—oil and gas development at Lunskoye, about 96 kilometers south of Chaivo—that is expected to pay off in the near future.

The reserves at Lunskoye are more concentrated than those at Chaivo or Odoptu, and will require fewer platforms, making them less costly to tap, according to Takahashi.

Mitsui and Co. has joined with McDermott International Inc. of the United States and the Soviet Government in a trilateral project to develop the deposit.

On the basis of a preliminary feasibility study, Mitsui has decided that the project will hit paydirt and is now awaiting an official green light from the Soviet Government to launch a more detailed study, said Hidemi Mori, manager of Mitsui's Corporate Communications Division.

"We are confident that the project will take off," he said.

The energy agency's Takahashi concurs.

"At the moment, Lunskoye is the only major resource development project in the Soviet Far East that could produce profits," he said.

Some 300 billion cubic meters of natural gas has been confirmed at Lunskoye, compared with 100 billion at Chaivo.

Despite Lunskoye, however, by and large Japan's trading houses are lukewarm about the natural resource prospects in the region.

"We cannot give a high priority to the Soviet Union in our resource development business," said Tetsuya Onishi, assistant public relations manager of Nissho Iwai Corp.

"The infrastructure is shabby. Moreover, the global oil market is not so tight as to make soviet resources an attractive gold mine," Onishi said.

"I think it should be viewed more as a dream for the next century than as short-term business opportunities."

Keidanren Chairman Remarks on Gorbachev Visit

OW0804120491 Tokyo KYODO in English 1125 GMT 8 Apr 91

[Text] Tokyo, April 8 KYODO—Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren), said Monday he hopes Soviet President Mikhail Gorbachev's Japan visit next week will open a new chapter of Japan-Soviet relations.

But Hiraiwa cautioned against overestimating the consequences of Gorbachev's April 16-19 visit, the first by a Kremlin leader.

He said it will mark the start of negotiations between the two nations on pending issues, such as the territorial dispute over the four Soviet-held islands east of Hokkaido and Japan's economic aid to the Soviet Union.

Hiraiwa said some business leaders want Japan to support Gorbachev's perestroyka (restructuring) policy while others point out political instability in the Soviet Union.

North Korea

Appointment of South General to MAC Criticized

SK0604055891 Pyongyang KCNA in English 0508 GMT 6 Apr 91

["Absurd Sophism of Violator of Armistice Agreement"—KCNA headline]

[Text] Pyongyang April 6 (KCNA)—The reckless U.S. moves to seat a South Korean Army "general" in the post of "senior member" of the "U.N. Forces" side are motivated by its political intention to avoid its legal duty to replace the Armistice Agreement by a peace agreement, occupy South Korea permanently, raise the prestige of the South Korean puppets at any cost and create a favorable climate for the creation of "two Koreas."

NODONG SINMUN today stresses this in a commentary denouncing the U.S. imperialists and the South Korean puppets for describing the replacement of the "senior member" of the "U.N. forces" side by a puppet army general as a measure not violating the Armistice Agreement and international law but to "invigorate inter-Korean dialogues" and for spreading false rumours that the North opposes North and South Korean military delegates sitting face to face with each other.

The news analyst says:

The "appointment" of the South Korean Army "general" as the "senior member" of the "U.N. forces" side is a wanton violation of the Armistice Agreement.

All the paragraphs of the Armistice Agreement must be confined to the Korea-China side and the "U.N. forces" side, signatories to the Armistice Agreement, when they are construed and applied.

The South Korean Army neither belongs to the "U.N. forces" nor is it a signatory to the Armistice Agreement.

In an attempt to justify the replacement of the "senior member" the U.S. side says it has brought the South Korean Army "general" to the conference room of the Military Armistice Commission. This is also an unreasonable argument.

The United States has brought the South Korean puppet army general to the conference room, in the sense of keeping its word that the "U.N. forces" would responsibly oblige the South Korean Armed Forces to strictly obey the Armistice Agreement. We have tolerated it in order to make the South Korean Army bound to the Armistice Agreement.

It is all the more ridiculous that the United States and the South Korean puppets spread false rumours that we oppose the military delegates of the North and the South sitting face to face with each other.

We have never opposed negotiation between the North and the South.

Whether or not the organisation supervising the ceasefire in Korea will be able to perform its mission and role depends entirely on the attitude of the U.S. side.

Ambassador Gregg's Comments on UN Entry Viewed

SK0604041991 Pyongyang Domestic Service in Korean 1500 GMT 3 Apr 91

[Text] According to reports, on 3 April, U.S. Ambassador to Seoul Gregg made a speech at the General Session of the U.N. Economic and Social Commission for Asia and the Pacific [ESCAP] which is being held in Seoul. In his speech, he talked nonsense, which instigates the South Korean puppets' maneuvers to enter the United Nations unilaterally.

He said that the United States hopes that South Korea can become a so-called member of the United Nations. Therefore, this once again reveals the U.S.'s aggressive position of obstructing Korea's reunification and of maneuvering to achieve two Koreas.

The United States says, through mere words, that it hopes for Korea's reunification and it welcomes dialogue, but in reality this shows that they are trying to perpetuate Korea's division and to keep South Korea as their colony.

Particularly, for Gregg to use this kind of strong language, representing the United States at a time when dialogue between the North and South is being importantly carried out to discuss entry into the United Nations under one seat, is nothing but a dangerous provocative act to rupture North-South dialogue and to further intensify confrontation.

The United States must stop its criminal act of legitimizing two Koreas internationally and of continuing to bring the situation on the Korean peninsula to the brink of a tense situation.

South's UN Entry Campaign Said 'Anachronistic'

SK0804060791 Pyongyang KCNA in English 0514 GMT 8 Apr 91

[South Korean Authorities' Scheme for Unilateral Entry Into U.N. Branded as Anachronistic Daydream—KCNA headline]

[Text] Pyongyang April 8 (KCNA)—The high-level authorities and "Foreign Ministry" officials of South Korea are these days getting overheated in creating an atmosphere for unilateral entry of South Korea into the United Nations, blaring that they would submit a document for U.N. membership in a few months and they would unilaterally promote South Korea's entry into the U.N. apart from the inter-Korean dialogue. Sometimes, they even abuse the name of the U.N. secretary-general.

NODONG SINMUN today denounces the South Korean authorities' campaign for unilateral U.N. membership as an anti-national crime intended to add to the misfortunes and sufferings of the fellow countrymen and endanger the future of the nation.

The news analyst says:

The South Korean authorities argue that it is not realistic for the North and the South to share one seat in the United Nations. This is a sophism to conceal their indifference to this matter.

It is now perfectly clear that they are not interested in reunification but in division.

Their insistance on "unification" of systems by "prevailing over communism" is intended to keep the division at any cost and wait for a chance of "unification by prevailing over communism" while living separated.

Their "northern politics" and scheme for unilateral entry into the U.N. are also motivated by their aim to keep the division and create an international climate for "unification by prevailing over communism" by taking advantage of the change in the international balance of forces.

Their sycophantic scheme to formularize "two Koreas" internationally and internationalize the internal affairs of the nation through unilateral entry into the U.N. and "unify the country by prevailing over communism" with the backing of outside forces, not believing in the nation's own strength but turning the back on the fellow countrymen, is bound to go awry.

It is a deplorable anachronism that they chant again the old slogans of anti-communism and "predominance over communism" which suffered a setback 40 odd years go. Their argument about "end of the cold war," "end of the ideological era" and "change of the era" is the height of self-deception.

The South Korean authorities must give up the sinister and foolish attempt to realise their ambition for "unification by prevailing over communism" and "unification by absorption" motivated by their wrong view that reunification is a matter of confrontation between ideologies and systems and a matter of one side conquering the other, and must take the road of a fair reunification through confederation to build a unified state in which the North and the South would have equal authorities and duties on the basis of recognising the ideology and system of each other.

They must give up their chronic idea of flunkeyism and dependence on outside forces and look straight at the internal forces of reunification that are stoutly growing in the North and the South, instead of living under the patronage of others without their own idea.

We consider that the South Korean authorities must immediately discard the drive for unilateral U.N. membership from a national stand and accept our reunification-oriented proposal to join the U.N. as one member.

The United Nations and the governments of all countries should pay due attention to the issue of Korea's entry into the U.N. so that it can be solved in favor of the Korean people's desire for national reunification and world peace.

U.S. Commerce Secretary's ROK Trip Viewed

SK0804104591 Pyongyang KCNA in English 1018 GMT 8 Apr 91

["Shameless Trip of U.S. Commerce Secretary"—KCNA headline]

[Text] Pyongyang April 8 (KCNA)—The U.S. secretary of commerce who flew into South Korea on April 5 revealed his intention to examine on the spot the puppet authorities' market opening and U.S.-toeing stance at the "Uruguay Round negotiation" and whip the stooges into meeting the U.S. demands, according to a radio report from Seoul.

He openly disclosed the U.S. intention to force the puppets to open the banks and circulation markets and allow U.S. enterprises to take part in big projects icluding communications and airport construction.

His South Korean trip shows how hysterically the U.S. imperialists are trying to attain their greedy purposes.

Daily Views U.S. Defense Officials Comments

SK0604114891 Pyongyang KCNA in English 1044 GMT 6 Apr 91

["Invariable Attempt at Permanent Occupation"—KCNA headline]

[Text] Pyongyang April 6 (KCNA)—Ford, U.S. deputy assistant secretary of defense for international security affairs, blared that the presence of U.S. forces in South Korea would continue even after the year 2000, because the Korean peninsula poses "a most serious threat" in the East Asian region.

His outburst reveals once again the U.S. imperialists' attempts to perpetuate their military occupation of South Korea, and it shows that their talk about "arms cut" and "peace" is a whopping lie, says NODONG SINMUN in a commentary today.

Noting that Ford's statement tells that it is South Korea where the United States intends to continue with the forward deployment of their military forces in the Pacific, the news analyst further says:

The U.S. imperialists revealed the intention to continue their military occupation of South Korea at a time when the South Korean authorities are trying by hook or by crook to gratify their ambition for "unilateral entry" into the United Nations. This means encouraging their moves toward confrontation and division.

What should not be overlooked here is the allegation of Ford that the Korean peninsula poses "a most serious threat in the East Asian region and that the deployment of U.S. forces in Japan and the Philippines is intended to honor "commitments to defense" of South Korea.

This is a brigandish sophism meant to justify their permanent occupation of South Korea and war moves.

The moves of the U.S. imperialists who are dead set against the withdrawal of their forces from South Korea and are racing headlong along the road of war, clamouring about "threat" and "commitments," are a downright challenge to the Korean people and the world's peaceloving people who want peace and reunification of Korea.

The U.S. imperialists must pull all their aggression forces including nuclear weapons out of South Korea.

Northeast Asia as Nuclear Free Zone Viewed

SK0704113691 Pyongyang KCNA in English 1013 GMT 7 Apr 91

["Northeast Asia Must Be Turned Into Nuclear Free, Peace Zone"—KCNA headline]

[Text] Pyongyang April 7 (KCNA)—In order to create a nuclear free, peace zone in the Northeast Asian region, the United States should withdraw all its nuclear weapons and troops from this region and stop all nuclear war maneuvers. At the same time, the United States should give a security commitment not to make nuclear threat to the non-nuclear states.

NODONG SINMUN said this in a signed commentary entitled "The Northeast Asia Should Be Turned Into Nuclear Free Peace Zone" on April 6.

The commentary goes on:

To make Northeast Asia a nuclear free peace zone is a very urgent question to promote the detente process of the international situation as a whole and ensure a durable peace in the world. It is because the danger of a nuclear war is growing in this region as the days go by.

The U.S. imperialists selected just the Northeast Asian region directly linked to the socialist countries as a forward base to check the socialist forces and turned it into a place of confrontation against communism in a bid to hold supremacy in the Asia-Pacific region.

The U.S. imperialists are attempting to ignite a new war for nuclear attack on our Republic with South Korea as a stepping-stone and to expand the flame to the Northeast Asian region and, furthermore, the world. If a war is ignited by the U.S. imperialists on the Koren peninsula, it will soon turn into a nuclear war, which will inflict nuclear holocaust upon our nation as well as the peoples of Northeast Asia and the world.

Therefore, it is an indispensable requirement to turn the Northeast Asian region into a nuclear free, peace zone.

The key to making the Northeast Asian region a nuclear free, peace zone is to turn the Korean peninsula fraught with the danger of nuclear war into a nuclear free, peace zone.

Unless the Koream peninsula is turned into a nuclear free, peace zone, Northeast Asia cannot be turned into a nuclear free, peace zone under the condition that the U.S. imperialists have converted South Korea into a nuclear forward base and attempted to unleash a nuclear war with it as a springboard.

Denuclearization and anti-nuclear weapons are the invariable stand of our party and government which consistently pursue peaceloving policy.

Our people will as ever resolutely fight to create a nuclear free, peace zone in this region together with the Northeast Asian people.

Aerial Exercises Held on 4 Apr in South

SK0604105091 Pyongyang KCNA in English 1014 GMT 6 Apr 91

[Text] Pyongyang April 6 (KCNA)—The U.S. Pacific Airforce Command Thursday staged air operations in the skies above Woeyon Islet, Ilwolsan, Wonju, Anmyon Islet, Yoju and Asan Bay of South Korea with the mobilization over 190 F-16 and F-4 fighter bombers based in the Pacific and F-16, F-4, F-5 and A-37 fighter bombers and assault planes of the U.S. 7th Airforce and the puppet airforce of South Korea, according to military sources.

The U.S. Pacific Navy command sent formations of A-6 assault planes based in Atsugi, Japan, twice to the sky above Asan Bay to stage surprise attack exercises on the same day.

Meanwhile, the U.S. imperialists sent Hawaii-based KC-130 refuelling tankers to the sky above Sosan Peninsula for an exercise of mid-air refuelling to MH-60 relief helicopters.

U-2, RF-4 and RV-1 high-altitude strategic and tactical reconnaissance planes made shuttle flights between the east and the west along the military demarcation line, conducting aerial espionage on the area of our side.

At the same time, the South Korean puppets conducted ground attack operations in Kapyong and Uijongbu under the support of tens of fighter bombers F-16, F-4 and F-5 and mobilized C-130 transport planes carrying "commandoes" for a parachuting exercise simulating a surprise infiltration into the depth in the air above Songnam.

A total of 570 military planes participated in the military exercises Thursday in the sky above South Korea.

Air, Ground Exercises 'Against' North Reported

SK0704114591 Pyongyang KCNA in English 1019 GMT 7 Apr 91

["U.S. Imperialists and South Korean Authorities Continue Military Exercises Against North"—KCNA headline]

[Text] Pyongyang April 7 (KCNA)—The U.S. Pacific Navy Command Friday staged joint air and ground strike exercises against the North in the skies above Ryoju, Kongju, Yongdong, Tokjok Islet, Suwon and Hoengsong as part of the "Team Spirit 91" joint military exercises, according to military sources.

Formations of A-6 assault planes based in Iwakuni, Japan, and over 80 fighter-bombers, assault planes and reconnaissance planes of the U.S. 7th Airforce in South Korea and the puppet airforce of South Korea participated in the aerial exercises.

The E-3A AWACS based in Kadena, Japan, made shuttle flights between the east and the west in the sky above South Korea for a long time, conducting aerial espionage on the northern half of the DPRK and commanding the planes mobilized in the aerial exercise.

At the same time, the South Korean ruling quarters frantically conducted attack operations against the North for a long time in Uijongbu and Yanggu with the mobilization of the puppet infantry, artillery and tank units under the support of F-16 and A-37 planes.

They posted 105 mm guns at a point near the Military Demarcation Line southeast of MDL marker No. 1110 in the eastern sector of the front and postured to fire at our side, threatening us on the same day.

This proves that the U.S. imperialists and the South Korean authorities are viciously scheming to further aggravate the situation on the Korean peninsula, pursuing confrontation and war.

ROK Professor Answers Questions on N-S Ties

SK0504155991 Pyongyang KCNA in English 1516 GMT 5 Apr 91

[Text] Pyongyang April 5 (KCNA)—Professor of international politics Kim Hui-won, former chairman of the South Korean Kangwon Provincial District Committee of the "Reunification Democratic Party" and central permanent member of the "Democratic Liberal Party," was interviewed by reporters upon arrival in Pyongyang today.

Answering questions put by reporters, he said:

I was neither invited nor advised to visit Pyongyang. I came of my own accord.

Availing myself of this opportunity, I, as a politician, have some words I want to tell the politicians in the South.

The "Team Spirit" joint military exercises are aggressive war exercises. There is no justification for the "Team Spirit."

The United States and the South Korean military "regime" stage the exercises with a false propaganda about "threat from the north." This war game must be stopped.

There is one more thing I want to say from the unbiased point of view. They say "national assemblymen" of the South will come to Pyongyang to participate in the 85th inter-parliamentary conference. Whoever may be selected, they should come here after the abolition of the "national security law" if they want to fully justify their travel here. Can the "national assemblymen" of the South go back after coming to Pyongyang and participate in the international conference in violation of the "national security law", which is still in force?

There will be nobody who dares violate the law of his country to participate in the conference.

The "national assemblymen" of the South are free to frame up or scrap the"law."

It will take them no longer than a second to pass a bill on the abolition of the "national security law," the "lawmakers" who pass some ten "bills" in a few seconds. There are still some 20 days to go before the international conference. So there is enough time to abrogate the "national security law", I believe.

Those who are coming to participate in the international conference this time are different from those who had been to Pyongyang to participate in inter-Korean talks. The latter can be said to have come for reunification, but the case is not the same with the "national assemblymen" coming to participate in the international conference.

How could they who obstruct reunification, refusing even to convey a letter of the North to the South, have the cheek to visit the North? and how could "national assemblymen" of the South come to the North while the U.S. forces stand guard along the military demarcation line and the "national security law" blocks the way to the North?

I may be arrested on the charge of violation of the "national security law," back in the South, like the Rev. Mun Ik-hwan and Woman Student Yim Su-kyong. It was because of this evil law that I had to make a detour abroad, failing to come straight to the North.

"National assemblymen" of the South must have the "national security law" scrapped without fail, should they want to come. They should at least raise the question of abolishing the "national security law" for deliberation.

Considering it hard to achieve the reunification of the country as long as the U.S. forces are kept in the South and such war games as "Team Spirit" do not cease and the "national security law" is left intact, I came to Pyongyang of my own accord with a view to finding a solution to the questions of national reunification and U.S. troop pullout.

He went on:

The South side must unconditionally accept President Kim Il- song's proposal to convene a political consultative conference for national reunification.

It must come out to the negotiating table of politicians to discuss the proposal for reunification through confederation and the like with the North side and ask the will of the whole nation, I think.

Asked where he intended to settle, he said he believed he would meet with reporters of the North often, so he would make it clear later.

Gives Reasons for Visiting North

*SK0604054091 Pyongyang KCNA in English
0444 GMT 6 Apr 91*

[Text] Pyongyang April 6 (KCNA)—As a politician, I could hardly repress my surging resentment, analysing the current "political situation" in South Korea. In order to achieve complete independence of South Korea freed from U.S. political interference, I came to Pyongyang with a determination to wage a movement for the withdrawal of the U.S. troops legitimately and organizationally until the U.S. troops as well as nuclear weapons have totally been withdrawn, said professor of international politics Kim Hwi-won, former chairman of the South Korean Kangwon Provincial Committee of the "Reunification Democratic Party" and central permanent member of the "Democratic Liberal Party," who arrived in Pyongyang Friday.

Kim Hwi-won was born the youngest of four children of a relatively rich educator in South Korean Kangwon Province, graduated from the course of politics and diplomacy of a college in Seoul, finished a postgraduate course, studied international politics and gave lectures on politics at a college for some years till 1985 and ran twice for "parliamentary elections" in South Korean Kangwon Province to attain his political purpose.

In his statement upon arrival in Pyongyang, he said:

I, as a politician, made up my mind to take the lead with redoubled courage in the movement for the withdrawal of outside forces, unable to tolerate the touch-and-go situation which might plunge our territory into the scourge of nuclear war.

I came to Pyongyang in the northern half of my motherland where there are no outside forces, with the firm belief that my contribution to preventing a nuclear war and accomplishing the cause of independent reunification against outside forces will be everlasting, although it might cause me a big loss.

If Soviet or Chinese troops had stayed in the north of Korea as occupation forces, I would rather have published a declaration of conscience in a third country and made activities for the withdrawal of outside forces and the reunification of the motherland than come to Pyongyang.

In South Korean society, no one is allowed to explain the need of the U.S. troop pullout officially or unofficially and to publish articles on or speak out opposition to outside forces.

An out-and-out capitalist conservative, I have never thought of socialism or dreamed of visiting the north of Korea, although it does not mean I disliked the socialist system.

But in a third country, I thought this way: the north of Korea is also my motherland and there is no outside force in the North. It regards the United States as the enemy. If I am to continue the movement against outside forces, I had better visit Pyongyang to honestly make the people both in the North and the South of Korea understand the necessity of the movement for the withdrawal of U.S. troops and the false advertisement for reunification by the South Korean military rulers and to freely conduct political activities for rejecting the outside forces and terminating the military rule and establishing a civilian government in South Korea. At last, I summoned up the courage to visit Pyongyang with a view to realising my political faith.

The main motive that made me harden my determination and visit the north of Korea was my firm belief that courageous politicians should take the lead in restoring the national spirit by indicting the United States which is craftily pursuing the preposterous policy of destroying other nations before the South Korean people and the international community and in achieving genuine sovereignty and independence and national reunification by our own efforts as the first generation of the division.

Anniversary of Pukchong Meeting Commemorated

Kim Il-song Presides at Meeting

SK0604124291 Pyongyang KCNA in English 1035 GMT 6 Apr 91

[Text] Pyongyang April 6 (KCNA)—A national meeting was held in Pukchong Friday to mark the 30th anniversary of the historical Pukchong enlarged meeting of the Presidium of the Central Committee of the Workers' Party of Korea [WPK] which was presided over by the great leader President Kim Il-song.

Present at the meeting were Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice-president, Yon Hyong-muk, member of the Political Bureau of the WPK Central Committee and premier of the administration council, other senior cadres and officials in the domain of fruit-growing from all over the country.

Secretary of the WPK Central Committee So Kwan-hi made a report at the meeting.

Noting that the Pukchong meeting which was initiated and presided over by the great leader Comrade Kim Il-song in April 1961 was a historical meeting which roused the whole party, the whole country and the entire people to a grand nature-remaking project for the development of pomiculture of the country, the reporter outlined the achievements in implementing the decisions of the meeting.

The great leader Comrade Kim Il-song has said:

"The Pukchong meeting ... was a truly important meeting which opened a new era in the development of our fruit farming and as such it will be remembered forever in the history of our party and people."

The policy advanced by the great leader at the Pukchong meeting was a unique and positive policy of our style which made it possible to bring more land under plough in our country which has many mountains and limited arable land and thereby develop the rural economy many-sidedly, consolidate the economic foundations of the socialist cooperative economy and press on with the development of the rural economy and the socialist construction as a whole.

Proud successes have been made and great changes taken place in fruit-growing after the Pukchong meeting. Many orchards were created extensively in all parts of the country and their areas increased remarkably.

Today there are hundreds of thousands of hectares of orchards in the northern half of Korea. There are many large fruit farms with more than 1,000 hectares under fruit, and the Kwail County integrated fruit farm in South Hwanghae Province is a large-scale fruit producer with 8,000 hectares of fields. And the area of fruit tree fields per co-op farm is 40 hectares on an average.

A fundamental change took place in the composition of the kind and variety of fruits and, as a result, our fruit-farming has developed as one growing various kinds including peach, apricot, plum, grapes, sweet cherry, persimmon and jujube with the main emphasis on apple and pear, with the rational combination of varieties including early-, middle- and late-ripening fruits. The technical revolution is in full swing in the fruit-growing domain and the number of pomiculturists is 15 times that before the meeting. Fruit storage and processing have been greatly improved.

The reporter outlined questions arising in consolidating the successes made in the implementation of the decisions of the Pukchong meeting and further expanding and developing them by continuously directing all-state and all-people efforts to the development of pomiculture.

Further on Anniversary Events

SK0604152491 Pyongyang KCNA in English 1502 GMT 6 Apr 91

[Text] Pyongyang April 6 (KCNA)—Korea is celebrating the 30th anniversary of the Pukchong enlarged meeting of the Presidium of the Central Committee of the Workers' Party of Korea (April 7, 1961).

A meeting held in Pukchong County, South Hamgyong Province, discussed the question of epochally developing the pomiculture of the country.

A national meeting, a photo exhibition and a fruit show were held on the spot on this occasion.

A documentary film "Proud Result Brought by Pukchong Meeting" released by the Korean documentary film studio is showing in different places.

The Workers' Party of Korea Publishing House brought out a book "Native Home of Orchard."

The fruit-growing of the country has developed rapidly over the past 30 years.

An integrated fruit farm with more than 8,000 hectares was formed in Kwail County and other fruit farms in Pyongyang, Hwangju, Kosan and other places.

Fruit-growing workteams were organized at thousands of co-op farms. There are over 80 co-op farms with 100 to 500 hectares of orchards each.

As a result, the fruit output reached several times that before the Pukchong meeting.

Meeting Commemorated in Press

SK0704124791 Pyongyang KCNA in English 1044 GMT 7 Apr 91

[Text] Pyongyang April 7 (KCNA)—Today marks the 30th anniversry of the Pukchong enlarged meeting of the Presidium of the Central Committee of the Workers' Party of Korea.

On this occasion, papers here come out with editorials calling for further consolidating and developing the results of the Pukchong meeting.

NODONG SINMUN, the organ of the WPK Central Committee, says the great leader Comrade Kim Il-song published the work "On Planting Orchards Through an All-People Movement" at the meeting to open up a bright prospect for turning our country into a land of fruit trees and remarkably improve our people's living.

In order to consolidate and develop the success of the Pukchong meeting, the daily notes, it is required to take good care of the orchards created with great efforts and increase the fruit output.

For the present, it is important to tend fruit trees properly and, at the same time, steadily increase orchards, the daily stresses.

Kang Song-san Delivers Thank-You Message

SK0804124591 Pyongyang Domestic Service in Korean 2100 GMT 5 Apr 91

[Excerpt] A rally to deliver a thank-you message from the Central Committee of the Workers Party of Korea [WPK] to the workers, technicians, office workers, and members of the Three Revolutions teams movement of the Musan Mining Complex, who established labor exploits in the production of ore concentrate, was held yesterday on the spot.

Comrade Kang Song-san, member of the Political Bureau of the Central Committee of the WPK, responsible secretary of the party of North Hamgyong Province, and chairman of the People's Committee of North Hamgyong Province, and other functionaries concerned participated in the rally with the workers and members of the Three Revolutions teams movement of the Musan Mining Complex.

Comrade Kang Song-san delivered the thank-you message from the Central Committee of the WPK to the workers, technicians, office workers, and members of the Three Revolutions teams movement of the Musan Mining Complex at the rally. [passage omitted]

O Chin-u, Others at Meetings To Plant Trees

SK0604052391 Pyongyang KCNA in English 0434 GMT 6 Apr 91

[Text] Pyongyang April 6 (KCNA)—Tree-planting meetings were held at the revolutionary martyrs' cemetery in Mt. Taesong, the "April 15 Children's Flower Garden," historical sites in Mt. Yongak and Munsu Hill in Pyongyang on April 5 on the threshold of the tree-planting day (April 6) with the attendance of workers, agricultural working people, school youth and children and members of the Union of the Korean Democratic Women's Union.

Present at the meetings were O Chin-u, Pak Song-chol, Kye Ung-tae, Choe Kwang and other party and government cadres and officials concerned.

Speeches were made there.

The speakers noted that busy as he was with building a new country, the great leader President Kim Il-song climbed Munsu Hill on April 6, 1947, and planted trees to kindle the torch of the tree-planting movement across the country and opened a new history of afforestation.

They recalled that the dear leader Comrade Kim Chong-il has wisely led the work for afforestation to increase the nation's assets of eternal value, with the result that all parts of the country are thick with economic and timber forests and greenbelts and the country has turned more beautiful.

They called upon all the working people and school youth and children to take an active part in the tree-planting this year, upholding the party's intention to create forests through an all-people movement.

At the end of the meetings, party and government cadres planted trees with the participants.

Meetings and tree-planting are going on briskly in all provinces on the occasion of the tree-planting day.

More than 30,000 hectares in Korea have been planted in trees in a matter of a week since the spring tree-planting began.

Officials Attend Spring Art Festival Opening

SK0704125591 Pyongyang KCNA in English 1047 GMT 7 Apr 91

[Text] Pyongyang April 7 (KCNA)—The 9th "April Spring Friendship Art Festival" opened here today with a large attendance. It is participated in by more than 3,000 artists of over 100 art organisations uncluding famous artists from over 60 countries of the five continents and international organisations, overseas Korean artistes and home artistes.

The opening ceremony was held at the February 8 House of Culture.

Present there were Yon Hyong-muk, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and premier of the Administration Council, Chang Chol, vice-premier of the the Administration Council, minister of culture and art and chairman of the Preparatory Committee of the festival, officials concerned, working people and men of letters and art in the city.

Also present were diplomatic envoys and officals of foreign embassies in Pyongyang.

Premier Yon Hyong-muk delivered a congratulatory speech at the opening ceremony.

He said that the "April Spring Friendship Art Festival" is a stage of a grand international art festival for strengthening cultural cooperation among nations and friendship among men of culture and art on the basis of the noble idea of independence, peace and friendship.

In a happy frame of mind, I express the belief that the current festival will register an excellent success to live up to the expectation and desire of our people and peoples of the world amid the deep concern and with the active cooperation of the governments and cultural and art circles of friendly countries, Yon Hyong-muk said.

The progressive men of culture and art, the pioneers of the times and guide of the popular masses, will conduct energetic cultural and art activities representing the spirit of the times and the desire of the people, strengthen friendship and unity and further develop mutual cooperation and exchanges, irrespective of country and nationality, idea and religious belief.

We will in the future, too, develop exchanges and cooperation in the field of culture and art with many countries of the world in accordance with the noble idea of independence, peace and friendship and will make every possible effort to strengthen friendship and unity among men of culture and art, he declared.

Congratulatory speeches were made by heads of the Tanzanian cultural delegation, the Chinese, French and Cuban art troupes and the chairman of the International Council of Dance and the head of the art troupe of Koreans in Japan.

Then followed an opening performance.

Greatness of Leader as Source of Nation's Honor

SK0704122591 Pyongyang KCNA in English 1034 GMT 7 Apr 91

["Greatness of the Leader Is Basic Source of High Dignity and Honor of the Nation"—KCNA headline]

[Text] Pyongyang April 7 (KCNA)—NODONG SINMUN today says that the high dignity and the honor of the Korean nation and the Korean nation-first spirit find its basic source in having the leader in the person of respected Comrade Kim Il-song.

The author of an article of the paper quotes the dear leader Comrade Kim Chong-il as saying:

The great leader opened the road of resurrection to our nation at the crossroads of life and death and made our people who had been humiliated and oppressed by others in the past the most proud and dignified people in the world."

The paper further says:

The greatness of the leader is the basic source of the dignity and honor of the nation.

The greatest dignity and honor of the nation are thinkable only under the guidance of the great leader.

This is a noble truth clearly proven by the history of our nation.

It was from the time when our nation acclaimed respected Comrade Kim Il-song as the leader that our nation began demonstrating its high dignity and honor, taking its destiny in its own hands and shaping it successfully. By enjoying the guidance of respected Comrade Kim Il-song, the great leader peerless in the history spanning thousands of years, our nation could put an end to the long history of distress and usher in a new era of the revolution.

The high pride and honor of our people who are displaying the nation-first spirit is immediately the pride and honor in having the great leader, the lodestar of the national libeation and genius of creation and construction.

It is because our nation is guided by the respected leader Comrade Kim Il-song that it is, above all, displaying its honor as the most proud and dignified nation which is making revolution with the great chuche idea.

With the chuche idea founded by the great leader, our nation has become the most proud people who are making revolution with the guiding idea of the times and the revolution.

And, under the leadership of the great leader, our people have successfully built socialism of our style, an embodiment of the chuche idea, on this land and have constantly consolidated and developed it.

The great leader Comrade Kim Il-song not only accomplished the historical cause of national liberation but also established the most superior socialist society on this land through a comprehensive application of the chuche idea and set a brilliant example of socialism.

The fundamental superiority of our-style socialism created by the respected leader lies in that it is a man-centred society and makes everything serve the people.

Our socialist system is a social system which fully represents the intrinsic demand of man as an independent and creative social being and brings the consciousness of man into fullest play and a superior social system which represents the collectivist demand.

Under this social system, our people are enjoying the happiest and worthiest life suited to the social nature of man to their heart's satisfaction.

The dignity and honor of our nation is more highly displayed under the wise leadership of the dear leader Comrade Kim Chong-il who is successfully carrying forward and accomplishing the revolutionary cause of the great leader.

Comrade Kim Chong-il is further developing and enriching the chuche idea, the revolutionary idea of the great leader, and bringing the superiority and vitality of our socialist system into full play.

The dignity amd honor of our nation will be further glorified as the days go by as there is the great leadership of the party and the leader.

Founding Anniversary of Chondoism Commemorated

SK0504154091 Pyongyang KCNA in English
1508 GMT 5 Apr 91

[Text] Pyongyang April 5 (KCNA)—A commemoration ritual on the 131st founding anniversary of Chondoism was held in Pyongyang today.

Chong Sin-hyok, chairman of the Central Guidance Committee of the Korean Chondoist Association, made a report for the occasion.

The reporter said that Choe Che-u on April 5, 1860, founded Tonghak, the predecessor of Chondoism, and opened the chapter of a new history on this land in which man is respected as sagacious as God. He stated that the Tonghak believers have staunchly waged the struggle to realize their views and aims.

Chondoism through its experiences has become convinced that when it supports the policy shaped by the great leader President Kim Il-song and the dear leader Mr. Kim Chong-il it will be able to realize the supreme aim to build an earthly paradise, stressed the reporter, and went on:

There is no more important task than to achieve national reunification for the association today and, for the present, it should make every possible effort to realize the August 15 political consultative conference of the authorities and representatives of political parties and organizations in the North and the South for national reunification.

Chondoism will actively hold bilateral and multilateral dialogues with the South Korean religious organizations to achieve great national unity and will make energetic efforts to take a joint step in the struggle to accelerate the cause of national reunification by having contact and dialogue with Chondoists of South Korea in particular.

On the same day, rituals were also held in the local Chondoist bodies.

North Hamgyong Province as Key Industrial Zone

SK0804110191 Pyongyang KCNA in English
1000 GMT 8 Apr 91

[Text] Pyongyang April 8 (KCNA)—North Hamgyong province situated in the northeastern part of Korea is a leading key industrial zone of the country.

The great leader President Kim Il-song has said:

"North Hamyong Province is a region in which the most important industries of our country are concentrated."

The province with heavy industrial branches of nationwide importance including the metal, mining, chemical and machine-building industries plays a big role in building the independent national economy of the country.

It has abundant deposits of metallic and nonmetallic minerals such as magnetite, copper, nickel, apatite and graphite and of coal and rich hydraulic resources which provide very favorable conditions for the development of key industries.

In April 1946, President Kim Il-song visited the province and unfolded a grand blueprint for extensively developing heavy industry by making an effective utilization of the resources in the province.

Under his wise guidance North Hamyong Province has turned into a powerful key industrial zone of the country over the past 40 odd years.

The ferrous metal industry holds an important place in the industries of the province.

In recent years an annual steel production capacity of millions of tons were created additionally and the production of various kinds of rolled steel and goods of second-stage metal processing rose respectively 70 percent as against the early '80s as a result of the large-scale extension of the Kim Chaek iron and steel complex.

The Songjin steel complex whose production processes have been placed on automatic lines produces in a few days what it turned out in the whole year of 1946.

The mining industry is making a rapid progress.

Several million tons of iron headings are produced annually at the Musan mining complex.

At present, the complex is being expanded as an iron concentrate producer with a 10 million ton capacity. The coal output of the province is 1.5 times the 1985 figure, and new coal mines including the Hamyon coal mine have been developed recently.

The machine-building industry has developed in the province, which has large factories in Chongjin, Najin, Kilju and other areas.

Various kinds of mining machines, machine tool, electric appliances and other machines and equipment are produced in large quantities at the machinery plants.

10,000- and 20,000-ton vessels from the Hambuk shipbuilding complex play a big part in the nation's foreign trade and maritime transport.

The chemical industry of the province with the main emphasis on the production of staple fibre, rayon, pulp, chemical reagents and synthetic resin and oil processing is making great contributions to the nation's development of industries and widespread use of chemicals in agriculture.

The Chongjin thermal power station and scores of medium- and small-sized power stations have been built in the province in recent years.

The province's power production stands more than 30 times that in 1959.

Its total industrial output value is over 20 times the 1959 figure.

History, Progress of Power Industry Viewed

SK0504152591 Pyongyang KCNA in English 1456 GMT 5 Apr 91

[Text] Pyongyang April 5 (KCNA)—Power industry is developing rapidly in the Democratic People's Republic of Korea.

In the 80's large-scale hydro-power and thermal power stations were built and commissioned in different places of the country including Taechon, the River Taedong, Wiwon, Chongjin and Sunchon.

The power production of the country reached 55,500 million kwh in 1989.

The power industry of Korea began to make a rapid progress in the 50's.

The great leader President Kim Il-song put forward a policy on keeping the power industry definitely ahead of all other sectors of the national economy and indicated concrete ways for its realisation.

He saw to it that an overall survey was made of the country's power resources and power production bases were consolidated by combining the construction of hydro-power stations with that of thermal power plants and building large-, medium- and small-sized ones simultaneously in reliance on hydraulic and coal resources abundant in the country.

He called at Supung, Changjagang and the Taean Heavy Machine Complex and other places and gave concrete guidance in the construction of power stations and production of power equipment and electric machines.

With the rapid development of the power industry, many hydro-power stations including Supung, Changjagang and Hochongang power stations healed the war wounds and produced electricity in the mid-50's.

During the five-year plan period (1957-1960) the power industry grew 1.8 times.

During the seven-year plan period (1961-1970) the Kanggye Youth Power Station, the Pyongyang Thermal Power Complex and several other power stations were built, creating a capacity of 16,500 million kwh in 1970.

In the 70's many thermal power stations including the Chongchongang thermal power station and the Pukchang thermal power complex were built along with hydro-power stations.

In the period from 1970 to 1979 the thermal power generating capacity doubled, accounting for more than 50 percent of the total generating capacity of the country.

A large number of medium-and small-sized power stations have been built as well as large ones.

In the 80's, more than 1,300 medium- and small-sized hydro-power stations were built in the areas with many rivers and streams including South Hamgyong, South Pyongan, Yanggang and Chagang Provinces to increase the country's electricity production capacity remarkably.

Production bases of power equipment, electric machines and appliances have been consolidated.

There are many electric machinery plants, electric bulb factories, power equipment accessory factories and electric appliance factories in Pyongyang, Hamhung, Nampo, Sariwon, Tongrim and other areas, which produce generating and other necessary power equipment and appliances by their own efforts.

The power grid including networks of power transmission has been composed in a rational way and power supply has been improved.

The government of the DPRK continues exerting great efforts for the development of the power industry to meet the growing needs of the national economy for electricity.

KCNA Review of 6 Apr Pyongyang Press

SK0604055291 Pyongyang KCNA in English 0515 GMT 6 Apr 91

[Press review]

[Text] Pyongyang April 6 (KCNA)—Papers here today give an account of a national meeting held to mark the 30th anniversary of the historic Pukchong enlarged meeting of the Presidium of the Central Committee of the Workers' Party of Korea [WPK] which was presided over by the great leader President Kim Il-song. Carried in the press is a report made by So Kwan-hui, secretary of the WPK Central Committee, at the meeting.

Given in papers are articles and accounts of functions held on this occasion.

Papers carry a letter to President Kim Il-song of the Democratic People's Republic of Korea from the participants in a national seminar of Nepal on independence and mass media and give an account of the seminar held in Kathmandu.

NODONG SINMUN reports that immortal classical works of President Kim Il-song were carried by foreign papers and a meeting for studying his work "Let Us Bring the Advantages of Socialism in Our Country Into Full Play" was held at the Tokyo metropolitan headquarters of the General Association of Korean Residents in Japan (Chongnyon).

Echoed in the paper are voices of world people praising the wise leadership of President Kim Il-song.

It carries words of South Korean people lauding the dear leader Comrade Kim Chong-il as the great lodestar of the nation.

It introduces the Turubong revolutionary site in Onsong County, North Hamgyong Province, which was built up as a seat of education in revolutionary traditions.

It is reported in the press that a message of thanks of the Central Committee of the Workers' Party of Korea was conveyed to the workers, technicians and office employees of the Musan Mining Complex and three-revolution team members working there who performed labour feats in the production of iron headings.

Carried in NODONG SINMUN is a solidarity message to the WPK Central Committee from the National Committee of the Workers World Party of the United States denouncing the "Team Spirit 91" joint military exercises of the U.S. imperialists and the South Korean authorities.

Seen in the press is the determination of defectors of the South Korean puppet army origin to repay the loving care of the party and the leader with loyalty.

Papers carry articles on the day of tree-planting and give accounts of tree-planting meetings of working people and school youth and children across the country.

Given in papers is an account of a meeting for conveying the aid materials of the Government of the Democratic People's Republic of Korea to Iran which was held in Bandar Abbas Port of Iran.

Papers inform the readers that the DPRK beat South Korea 7:0 in Group C at the World Ice Hockey Championships which was held in Copenhagen.

Papers carry a report about the arrival in Pyongyang of professor of international politics Kim Hwi-won, former chairman of the South Korean Kangwon Provincial District Committee of the "Reunification Democratic Party" and central permanent member of the "Democratic Liberal Party", and his statement upon arrival in Pyongyang.

Foreign art troupes and delegations arrived here to participate in the 9th April Spring Friendship Art Festival, reports the press.

Conveyed in NODONG SINMUN are world public voices denouncing the South Korean authorities' moves to perpetuate the division of the nation.

The paper runs a commentary hitting out at the sophism of the South Korean authorities concerning the planned replacement of "senior member" of the "U.N. forces" side by a general of the puppet army.

Papers report about the anti-"government" struggle of the South Korean people.

Papers come out with commentaries condemning the U.S. imperialists' attempt to keep occupying South Korea for ever.

An article of NODONG SINMUN lays bare the South Korean authorities' criminal moves to do harm to their fellow countrymen in league with foreign forces.

Papers convey voices at home and abroad denouncing the "Team Spirit 91" and report that the U.S. imperialists and the South Korean authorities frantically staged war manoeuvres against the North.

Papers inform the readers that the fourth meeting of the Seventh National Committee of the Chinese People's Political Consultative Conference closed and a leading official in charge of Taiwan affairs of the State Council of China called for direct exchange to promote national reunification.

NODONG SINMUN reports that a Soviet deputy foreign minister expressed concern over South Korea's attempts for "unilateral U.N. membership", a Soviet paper carried an article on the statement issued by the Korean People's Army-Chinese People's Volunteers side to the Military Armistice Commission denouncing the attempt to appoint a "general" of the South Korean Army as "senior member" of the "United Nations forces" side and General M. Surkov, secretary of the All-Army Party Committee, said that the Army should only obey the Communist Party of the Soviet Union.

It informs the readers that the Afghan president referred to the prevailing situation in his country and the Japanese minister of agriculture, forestry and fisheries opposed the U.S. demand for rice market opening.

The daily carries an article headlined "Northeast Asia Should Become a Nuclear-Free, Peace Zone."

It introduces the efforts made for economic development in Laos, Vietnam, India, Pakistan, Nepal, Sri Lanka and Bangladesh to build a prosperous new Asia.

KCNA Review of 8 Apr NODONG SINMUN

SK0804060591 Pyongyang KCNA in English 0524 GMT 8 Apr 91

[Review of NODONG SINMUN]

[Text] Pyongyang April 8 (KCNA)—NODONG SINMUN today reports that foreign newspapers carried immortal classical works of the great leader President Kim Il-song on the occasion of his birthday, April 15.

The daily informs the readers that a lecture on the subject "The Great Leader President Kim Il-song Is an Outstanding Thinker and Theoretician Who Founded the Chuche Idea" was given at the Asian Regional Institute of the Chuche Idea and functions were held in different countries on this occasion.

The daily frontpages news that "Kim Il-song's Works" Vol. 37 was brought out by the Workers' Party of Korea Publishing House. This volume contains 34 classical works including historical speeches and talks published by President Kim Il-song in the period from January 1982 to May 1983.

In the second installment under the fixed title "Immortal Story Conveyed By Mangyongdae", the daily says that the weeding plough, a precious historical relic, is preserved in its original state in the old home in Mangyongdae where President Kim Il-song was born and grew, cultivating his grand aspirations of the revolution.

Conveyed in the daily are words of members of the Indonesian parliamentary delegation who visited Korea recently praising President Kim Il-song as a great leader boundlessly loving the people.

Seminars on works of the dear leader Comrade Kim Chong-il were held in Tanzania, says the daily.

It is reported in the daily that thanks of the Central Committee of the Workers' Party of Korea was conveyed to units and working people for their great encouragement to the soldiers and builders who are mobilized in the construction of the Sariwon Potassic Fertilizer Complex.

Econews of the daily includes reports that an upsurge has been effected in the production of large low-caloric coal boilers and the construction of a production base of numerical control machine tools is progressing in the final stage.

The paper dedicates an article to the 30th anniversary of the Pukchong enlarged meeting of the Presidium of the Central Committee of the Workers' Party of Korea which opened a new epoch in the development of the fruit growing in Korea.

It reports the opening of the 9th April Spring Friendship Art Festival with a large attendance on Sunday and prints the congratulatory speech of Premier Yon Hyong-muk at the opening function.

The chairman of the C.C., the Norwegian Communist Party met the Korean ambassador to his country, says the paper.

It gives an account of the sports games for "February 2 prize".

NODONG SINMUN comes out with a commentary denouncing the South Korean authorities' campaign for unilateral UN membership.

Conveyed in the paper are world public voices denouncing the South Korean authorities for rejecting the DPRK's proposal to adopt the North-South nonaggression declaration. Foreign media condemned the "Team Spirit 91" joint military exercises and the U.S. imperialists and the South Korean puppets continue staging military exercises for northward invasion, reports the paper.

According to the paper, Comrade Fidel Castro declared that Cuba will never return to capitalism speaking at a meeting of the Union of Young Communists and a function was held in Cuba to mark the 30th anniversary of the organization of the Central District Army of the Revolutionary Armed Forces.

The paper deals with achievements made in Tanzania, Egypt, Mozambique, Mexico and Guinea-Bissau in the building of a new society.

"Israeli Repressive Acts Must Be Stopped" is the title of an article of the paper.

South Korea

Panmunjom Route for IPU Delegates Agreed

SK0804105291 Seoul YONHAP in English 1011 GMT 8 Apr 91

[Text] Seoul, April 8 (YONHAP)—South and North Korea agreed Monday that the South Korean delegation to the 85th general session of the Interparliamentary Union [IPU] will travel to Pyongyang through the truce village of Panmunjom.

They would cross into North Korea April 27 and return home May 5 under an agreement reached at a liaison officers' contact in the conference room of the Neutral Nations' Supervisory Commission in Panmunjom.

Pyongyang said it would give Seoul a written guarantee of the delegates' personal safety in the North three days before their departure. The IPU meeting is scheduled for April 29-May 4 in Pyongyang.

In accordance with the usual practice of South-North travel, the delegates will go from Kaesong to Pyongyang by train, North Korea will set up five telephone lines for their use and the total cost of their stay will be borne by the North Koreans, a South Korean Government official said.

"The North Korean authorities will allow the South Korean lawmakers to attend worship services in a church or a Buddhist temple and to tour areas outside Pyongyang," he said.

In the contact, the South Koreans asked the North Koreans to allow four administrative staff officers to be sent to Pyongyang in addition to the 25-member delegation. The North Koreans said they would discuss the matter later, said the official, who demanded anonymity.

The two sides agreed to hold another liaison officers' contact Thursday to discuss details, letting working-level officials go to Pyongyang, accommodation for the South Korean delegates and their itineraries, he added.

Premier Proposes May 22 N-S High-Level Talks

SK0804024891 Seoul Domestic Service in Korean 0200 GMT 8 Apr 91

[Text] Prime Minister No Chae-pong today proposed to Yon Hyong-muk, premier of the North Korean Administration Council, that the fourth North-South high-level talks, scheduled for Pyongyang, be held 22-25 May.

In a telephone message, Prime Minister No Chae-pong said that the fourth talks could not be held as agreed because the North Korean side unilaterally suspended the dialogue on 28 February under the pretext of the Gulf situation and the Team Spirit military exercise. He also stressed that the North-South high-level talks cannot be delayed any longer because its mission is to advance North-South reunification.

Prime Minister No said that he proposes that the fourth North-South high-level talks start on 22 May, because the North-South high-level talks must not be suspended or delayed for any excuse and because tasks have accumulated that the North and South authorities must urgently accomplish for the sake of peace and reunification.

Meanwhile, a person in authority in the ROK Government has explained that the Government has chosen to propose the May talks after considering the fact that the participation in the world table tennis championships by a North-South single team and an Interparliamentary Union meeting in Pyongyang are scheduled for late April and early May.

UN Notified of Planned Membership Application

SK0804022591 Seoul YONHAP in English 0150 GMT 8 Apr 91

[Text] Seoul, April 8 (YONHAP)—South Korea has notified to every member of the United Nations that it will apply for U.N. membership before the opening of the 46th Session of the General Assembly in September, the Foreign Ministry said Monday. A memorandum was delivered Friday by No Chang-hui, head of the South Korean Observer Mission, to U.N. Security Council President Paul Noterdaeme, the Belgian ambassador. It was adopted as an official document and distributed to member nations and affiliated organizations, Ministry spokesman Chong Ui-yong said. "The Government of the Republic of Korea remains hopeful of realizing membership of both Koreas during the course of this year," the memorandum said. "However, if the DPRK (North Korea) continues to oppose this option and for any reason chooses not to join the United Nations, the Republic of Korea, exercising its sovereign right, will take the necessary step toward its membership before the opening of the 46th Session of the General Assembly," it said. South Korea, it went on, is convinced that, with the overwhelming support of the member states of the United Nations for the legitimate cause of its membership, it will be able to assume its rightful place in the United Nations in the months ahead. Saying the principle of universality required the admission of all eligible sovereign states that wished to join the United Nations, the memorandum stated that parallel membership of both Koreas would constitute a powerful confidence-building measure as it would represent a firm commitment by them to the provisions and principles of the United Nations Charter.

Japanese, PRC Officials Discuss UN Entry

SK0804053291 Seoul CHOSON ILBO in Korean 8 Apr 91 p 1

[Correspondent Song Hui-yong from Tokyo]

[Text] According to Japanese newspapers on 7 April, Chinese Premier Li Peng asked Taro Nakayama, Japanese foreign minister who is on a visit to China, to hasten talks between Japan and North Korea to establish diplomatic relations.

In a meeting with Foreign Minister Nakayama on 7 April, Premier Li Peng said: There will be no military clashes on the Korean peninsula. Japan, it is hoped, will hasten its talks with North Korea for the normalization of relations based on its own initiative. Only then will North Korea be able to emerge from isolation.

Premier Li stressed: Since Japan and the ROK have maintained good relations and China's relations with North Korea are good, the the two countries should jointly support direct dialogue between the South and the North.

In a meeting with Chinese Foreign Minister Qian Qichen, Foreign Minister Nakayama made Japan's stand on the UN issue plain in that it should be resolved with both sides being admitted to the world body simultaneously.

Responding to Foreign Minister Qian he said "our hope is that the South and North would discuss the issue of the two sides being admitted to the UN and work out ways acceptable to both sides," stressing that "both sides want to be admitted to the UN simultaneously."

Thus, if the ROK earnestly seeks unilateral admission to the United Nations, it is not likely to get support from China or Japan.

DLP: South Korean Visiting North Not Member

SK0604042091 Seoul Domestic Service in Korean 0300 GMT 6 Apr 91

[Text] Today, Pak Pom-chin, vice spokesman of the Democratic Liberal Party [DLP], revealed that yesterday's report by the KOREAN CENTRAL NEWS AGENCY that Kim Hui-won, the South Korean figure visiting North Korea, is a member of the Central Standing Committee of the DLP, is not true.

Book on Life in DPRK, 'Kimilsongism' Viewed

SK0704135291 Seoul SEOUL SINMUN in Korean 4 Apr 91 p 5

[YONHAP article—first paragraph is editor's note]

[Text] Recently in Germany a book entitled, "North Korea's Kimilsongism," was published by Professor Hans Mareski [name as transliterated], the last East German ambassador to North Korea, who served from 1987 to right before Germany's unification. This book exposes and denounces the suppressed lives of the North Korean people and the creation of the so-called chuche idea. In this book, former Ambassador Mareski reveals that Kim Il-song's dictatorial regime has made the North Korean people into mentally handicapped people and that amid the mental terror of the authorities, North Koreans are leading a life which reminds one of a military life. With regard to the issue of North-South reunification, he assessed that Korea's northern policy is a positive attempt to bring about a breakthrough in the situation on the Korean peninsula. But he said that because of North Korea's internal situation and Kim Il-song's unchanged view on reunification, possibility for dialogue between the North-South, easing tensions, and mutual opening, are very small. Following is a summary of his book.

Regarding the question of whether the example of Germany's unification can be a stimulus in achieving reunification on the Korean peninsula, the conclusion can be viewed as follows.

Viewing this calmly, the possibility of dialogue between the North and South, easing tensions, and mutual opening, are very small. In order to understand the reason for this, we have to examine North Korea's internal situation and Kim Il-song's unchanged view regarding reunification.

Up until the seventies, Kim Il-song thought that reunification on the Korean peninsula could be achieved only by military means. Only 10 years ago he thought that this issue could be resolved through political means. North Korea was a political and economic vacuum in 1945 and because of exploitation by the Japanese and because the national independent spirit was not mature, it was possible for the Kim Il-song regime to establish an absolute feudalistic nation.

Kimilsongism was fundamentally made by the Soviet Union and up until today we can see many instances in which Stalin-style rule is still carried out on many occasions in North Korea. The most important reason that North and South Korea are in a state of confrontation which is difficult to resolve, is that of the two victorious countries, the Soviet Union attempted to enthusiastically expand socialism while at the same time the United States tried to block this attempt on the Korean peninsula.

Because of this kind of ideological competition, North Korea avoided the United States. The North Korean leadership believes that if the United States withdraws from Korea, everything will change. This kind of thinking flatly shows how much North Korea's strategy lags behind political reality.

Kim Il-song has designated Kim Chong-il as his successor. The reason for this succession of power is that his desire for a clan government is greater than faith in communist ideology.

Kim Il-song's dictatorial regime has had a terrible impact on the North Korean people. The North Korean people have become mentally handicapped. In the North Korean society, no one can openly talk about their personal problems or express doubts. Rather, they are faced with false political facts everyday. Therefore, most of the North Korean people can barely even distinguish truth from lies. People who object to the regimented life in North Korea experience terrible results. What makes us very depressed is the fact that the North Korean people are not able to enjoy their own spiritual life due to fear, and are leading an unemotional life.

The Kim Il-song system is completely cut off from the outside world. Since intellectuals are being maneuvered under the following principles mentally, the Kim Il-song system can be maintained.

"The ideological basis for reunification is only the leader's revolutionary ideology. Only the leader can present the line to the people and the people must act and struggle through the leader's principle and teachings (NODONG SINMUN)." Perhaps there is no better explanation of totalitarianism than this. North Korean people do not have any power and they cannot claim their rights. The North Korean system leaves no room for doubt that it is regarded as a fascist system.

The life of the North Koreans reminds one of leading a military life. The authorities check and watch every movement of the people's lives—over two thirds of their everyday lives—which amounts to mental terror. It is very difficult for anyone to understand that there is almost no resistance from the North Korean people who have been living with this kind of heartless human relationship, hard labor, a rote-memory system of political education, and ideological oppressive feeling, for many years.

There is no foreign press in North Korea. It is forbidden to listen to foreign radio broadcasts and if this is violated the person must go to a concentration camp for many years. Most of the people do not have radios. They only have an amplifier that is connected to a central cable radio. Foreigners are regarded as supposed enemies and critics. People who have contacts with foreigners are obliged to report on what they did and talked about with the foreigners. The Korean people's will to overcome division is strong. However, North and South Koreans are showing contradictory signs politically. Therefore, it seems that it will be very difficult to break the barriers in moving toward mutual understanding. Until today, North and South Korea are in acute confrontation and face the danger of not knowing when this will blow up. If this kind of confrontation is not overcome or eliminated, it will be very difficult to achieve reunification.

We can say that Korea's northern policy is a positive attempt in trying to overcome this situation.

However, North Korea is not trying to change its position. North Korea still adheres to the fantasy that it can politically assimilate South Korea. North Korea thinks that movements by the opposition parties in Korea are being carried out to struggle for its chuche idea, which is a complete misunderstanding. Today in Korea, independent positions for reunification are being strengthened, while on the other hand, North Korea's position has greatly worsened.

There is no doubt that North Korea is not in a position to carry out international openness, especially opening up to the South Korean social system. Other than the organization to carry out operations against the South, there is no one in North Korea who can have access to information on Korea.

In order to achieve reunification on the Korean peninsula, it is necessary to resolve issues starting from small ones, step by step. The starting point for reunification is to make efforts to resolve issues one by one by easing tensions such as carrying out economic exchange, resolving humanitarian issues, removing arms, and restoring trust. Discord should not continue between North-South Korea.

USSR Indicates 'Intentions' on MiG Sales

SK0804003591 Seoul KUNGMIN ILBO in Korean 4 Apr 91 p 1

[Unattributed article: "USSR Sounds Out Korea on Sales of MiG-29"]

[Text] The Soviet Government recently indicated through unofficial channels their intentions to sell not only the MiG-29 but also the state-of-the-art MiG-31 aircraft to Korea. The revenues from the sales, in return, would be used to purchase Korean-made light industrial products. The Soviet Government is known to have sent a high-level military attache to their embassy in Seoul to actively examine this issue.

One government official noted on 4 April that "Soviet officials who have attended a series of meetings on cooperation between the two countries held in both Seoul and Moscow, to include the ROK-USSR atomic energy technology cooperation talks, expressed these intentions to sell the MiG's during inspection tours of high technology and defense industry facilities."

The same official indicated, "The Soviets are selling the MiG-29 at a discount price cheaper than the U.S. F-16 in consideration of the weak purchasing power of some of the East Bloc countries." He added, "It is said that the Soviets offered the MiG-29 to Korea at a somewhat inexpensive price."

Another expert source familiar with Soviet affairs stated, "The USSR sounded out Korean Government officials concerning their intentions to purchase the MiG while Korea was in the process of deliberating over whether to acquire the F-16 of U.S. General Dynamics or the FA-18 of McDonnell Douglas for the next generation fighter aircraft. The recent offer is interpreted to be linked to the Soviet's sales strategy of expanding the number of Third World and East Bloc countries to whom they sell the MiG-29 to cover the development expenses of a new model fighter aircraft."

This source also construed that "the Soviet Government's revelation that they can sell not only the MiG-29 but the state-of-the-art MiG-31 further supports the fact that they have genuine intentions to sell the aircraft.

The cost of the General Dynamics F-16 which was recently selected as the next generation fighter aircraft on 28 March 1991 fully equipped with high-technology equipment is about 25 billion won, while the FA-18 of McDonnell Douglas is known to cost around 30 billion won. The MiG-29's base price on the international weapons market is about 8.2 billion won each, while the enhanced version with modern equipment is 21.5 billion won. The price of the MiG-31 is still unknown.

It is also known that, conscious of the competition between the MiG-29 and the FA-18 whose capabilities are judged to be superior to the MiG-29, the Soviet Government is prepared to lower the sales price of the MiG.

Shown below is a comparison of the three aircraft:

1. MiG-29: Total length—17.32 meters. Wing span—11.36 meters. Gross weight (with weapons loaded)—18,000 kg. Speed—mach 2.3. Maximum operational radius—2,100 km. Missiles—six.

2. F-16 Phantom (Korea's next generation fighter): Total length—15.3 meters. Wing span—10 meters. Gross

weight—13,900 kg. Speed—mach 2.0. Operational radius—925 km. Missiles—six.

3. MiG-31: Total length—21.5 meters. Wing span—14 meters. Gross weight—41,000 kg. Speed—mach 2.4. Maximum operational radius—2,100 km. Missiles—six.

Soviet Lawyers Join Group in KAL Investigation

SK0704013691 Seoul THE KOREA TIMES in English 7 Apr 91 p 3

[Text] The Asia-Pacific Lawyers Association [APLA] and the Soviet Lawyers for Asia and the Pacific [SLAP] have agreed to form a joint group to investigate the downing by a Soviet fighter of a Korean passenger plane over Sakhalin Island Sept. 1, 1983.

Dr. Yi Pyong-ho, president of APLA, and Prof. Rais Touzmohammad, visiting president of SLAP, issued a statement yesterday on formulation of the joint lawyers fact-finding task group.

They said in the statement: "We feel it is our professional as well as humanitarian duty to join the efforts of Soviet, American, Japanese and Korean journalists in exploring the full picture of what happened to the passenger jetliner Sept.1, 1983 in Soviet airspace."

They asserted that a complete investigation into the hidden facts behind the downing of the unarmed passenger jetliner should be made at the time when the international media happened to report new facts about both its causes and background.

The investigation, they added, would also contribute greatly to the true improvement and evolvement of mutual relations between South Korea and the Soviet Union.

In the statement, they also observed those who stood behind the air incident should be held accountable for the shooting-down in accordance with the probe outcomes.

The bereaved family members of about 300 innocent victims, they also stated, should be compensated for the loss of their loved ones.

The Korean and Soviet lawyers, meanwhile, plan to set the scale of the joint fact-finding group and the direction of its investigation at the regular APLA general meeting slated for April 26-28 in Tientsin, China.

The fact-finding group is considering visiting the pilot of the Soviet jetfighter which shot down the KAL [Korean Airlines] plane to question him.

ESCAP Meet Shows PRC, Soviet Views on ROK

SK0804061191 Seoul YONHAP in English 0529 GMT 8 Apr 91

[Article by Kim Hung-suk: "UN Economic and Social Commission for Asia and the Pacific (ESCAP) Session Showcases China, Soviet Attitudes Toward S. Korea"]

[Text] Seoul, April 8 (YONHAP)—The on-going session of the U.N. Economic and Social Commission for Asia and the Pacific (ESCAP) is a clear demonstration on how far the Soviet Union and China have traveled in their search for change.

The attitudes of chief delegates of the two countries toward South Korean officials and journalists is a litmus test of their home governments' diplomatic policy, diplomatic analysts here say.

Vice Foreign Minister Igor Rogachev, head of the Soviet delegation to ESCAP, unreservedly revealed in his keynote speech to the session and other activities Moscow's intention to extend its influence to the Asia-Pacific region by fully utilizing its new-found friend, South Korea.

The Soviet Union, one of the staunchest allies of North Korea, earned Pyongyang's displeasure by opening diplomatic relations with South Korea on Sept. 30 last year.

In sharp contrast, Vice Foreign Minister Liu Huaqiu of China, which exchanged trade offices with South Korea this spring, was so full of discretion that he neither called the host country by its proper name, the Republic of Korea, nor referred to Korean Foreign Minister Yi Sang-ok as "foreign minister" in his key-note speech.

Liu, before his arrival in Seoul, was expected to facilitate normalization of ties between the two former adversaries as the first official of his rank to visit here, but his presence seems to have revealed wishful thinking in this regard.

During a meeting April 2, Liu invited Yi to the ESCAP session in Beijing next year. When newspapers here said Liu "officially" invited Yi, the cautious vice minister was at pains to say the invitation was extended to the chairman of the on-going ESCAP session and not to the South Korean foreign minister.

The Chinese delegation was reportedly in favor of a meeting between Liu's and the Korean press, but canceled it on a few hours notice without any reason.

Rogachev met the press, though later than scheduled, winning friends with a Russian saying: "It is better to meet late than not to meet at all." Reporters at Rogachev's news conference said he dealt with questions "very sincerely" even though the meeting ran over the scheduled time.

Rogachev briefed Yi on the recent talks of the foreign ministers of the Soviet Union, Japan and China, apparently giving Yi the impression Moscow did not want Seoul to feel isolated by the frequent tripartite contacts.

Diplomatic analysts say the vast difference in the attitudes of the Soviet and Chinese chief delegates may tell of the degree and extent of the commitment to reform in Moscow and Beijing, even if their basic positions regarding the Korean question remain unchanged.

Rogachev said the two nations had almost identical views on how to solve the Korean question. Both Rogachev and Liu aired opposition to South Korea's search for U.N. membership without North Korea. South Korea will file an application this summer.

The two chief delegates presented a distinct diversity of opinion concerning Asia-Pacific security in the post-Gulf war world as well as economic issues of international concern, with the Soviet proposing active participation and the Chinese reaffirming general principles.

"We are prepared to search for and try specific Asian or Pacific methods of dealing with security and cooperation issues," Rogachev declared, calling for "a system of peaceful resolution of conflicts and disputes, one that provides additional international guarantees as yet nonexistent in Asia and the Pacific, that should bridge the possible confidence or security gap that may arise under the new conditions."

He said the search for common ground in the positions of various countries, coordination of initiatives and arrival at joint solutions "urgently require a dialogue at various levels, including the highest level," that would be gradually transformed into a stable process of consultation and negotiation.

Liu said restructuring and cooperation were mutually complementary aspects of regional economic development, and demanded their manifestation, but put more emphasis on China's policy line for the 1990s. He described this as a "very crucial period for the Chinese people in their endeavor to build socialism with Chinese characteristics."

What appeared to [be] at the top of Liu's list of priorities was how to recover international recognition of China's commitment to reform, the analysts said.

"Adherence to reform and openness is China's basic state policy... Political reform will be continued," he said.

Swiss Minister Discusses Economic Cooperation

SK0804065291 Seoul KYONGHYANG SINMUN in Korean 4 Apr 91 p 6

[Interview with Jean-Pascal Delamuraz, chief of the Swiss Department of Public Economy, at the hall of the Federation of Korean Industries on 3 April; first three paragraphs are introductory]

[Text] In a news conference in the hall of the Federation of Korean Industries [FKI] on the afternoon of 3 April, Jean-Pascal Delamuraz, chief of the Swiss Department of Public Economy, who came to our country with a large economic delegation consisting of Swiss economic figures, revealed that "a satisfactory agreement on the transfer of environmental technology was reached with the ROK."

It has been learned that Chief Delamuraz, who visited our country as Swiss President during the Seoul Olympic games, met President No Tae-u and many political and economic figures of our country, and that he briskly carried out civilian-level diplomatic actions to strengthen ROK-Swiss economic cooperation.

Because it is the first time that the Swiss Government has dispatched such a large delegation to the Asian region and, in particular, because the Swiss Government chose the ROK as its first visiting place, the result of its visit to the ROK is drawing our attention.

[Reporter] What is the background of your visit to the ROK?

[Delamuraz] Juging from the fact that the Swiss Government dispatched a delegation consisting of 20 governmental and civilian personnel to the ROK prior to visiting many other countries in the world proves that the Swiss Government attaches importance to trade with the ROK. Even though both the ROK and Switzerland are small countries, both rank within the top 15 trading countries in the world. Even though it is just five years since the ROK and Switzerland established bilateral relations, the trade amount over the past five years has increased by two times. In addition, the ROK is the fourth largest investing country in Switzerland. Thus, the ROK is important.

[Reporter] Would you tell me your activities during your ROK visit?

[Delamuraz] I met President No Tae-u, Prime Minister Choe Kak-kyu, Minister of Trade and Industry Yi Pong-so, FKI Chairman Yu Chang-sun, and many other political and economic figures, and discussed with them the issue of promoting economic cooperation between the two countries. In particular, because President No Tae-u came to Switzerland during his visit Europe in 1989, today our reunion was happy and beneficial.

[Reporter] Would you tell me what specific plans you have for economic cooperation?

[Delamuraz] We discussed the issues of expanding technology transfers, increasing joint ventures, and greatly expanding export and import trade. In particular, because Switzerland has great concerns about industries' environmental impact, which has recently become an issue in the ROK, we negotiated in detail on this subject.

No Excludes Relatives, Generals From Candidacy

SK0804022291 Seoul YONHAP in English 0123 GMT 8 Apr 91

[Text] Seoul, April 8 (YONHAP)—President No Tae-u has served notice that one of his relatives or a retired general would be most unwelcome as his Democratic Liberal Party's [DLP] candidate for president in 1993, DLP sources said Monday.

No told Sports and Youth Minister Pak Chol-on, his wife's cousin, of his feelings at a family gathering on

March 23 and Pak then resigned from Wolgyesu-hoe (Laurel Club), the most powerful private organization, in the DLP.

"At that time, President No said that he should be the last general-turned-president of Korea for the sake of the nation's democratic development," one of the sources said.

Back in 1987, when he was presidential candidate, No publicly promised that the ruling party would select the next presidential candidate from among "non-military" figures through competition.

"President No is determined not to allow any intra-party conflict related to his successor to damage party unity. No maneuvering for the presidency nor request for an early national party convention will be accepted," the source said.

No called Rep. Kim Yun-hwan, DLP secretary-general, up from Taegu where he was leading a provincial chapter meeting to have lunch at Chongwadae on Saturday, the day after Pak announced he was quitting Wolgyesu-hoe (Laurel Club).

Kim was told to take the lead in strengthening party unity under the leadership of Kim Yong-sam, DLP executive chairman, and achieving victory in local elections in cities and provinces in June.

The sources said No was drawing in the reins in order not to become a lameduck president. No's tenure expires in February 1993 and the DLP candidate to succeed him will be elected through competition in a national convention next year as stipulated in the party charter.

Executive Chairman Kim, who provoked harsh criticism from No's DLP faction last week by announcing a set of agreements with Kim Tae-chung, president of the main opposition Party for Peace and Democracy, is to meet leaders of No's faction Reps. Yi Chong-chan, Yi Han-tong, and Yi Chun-ku shortly to enhance party harmony.

Co-Chairman Kim Chong-pil, in an effort to promote party unity, played golf Sunday with whip Kim Chong-ho and Chief Policy-Maker Na Ung-pae of No's faction and former chief policy-maker Kim Yong-hwan, who belongs to his faction.

Pak Chol-on on Resignation From Laurel Club

SK0604032091 Seoul YONHAP in English 0213 GMT 6 Apr 91

[Text] Seoul, April 6 (YONHAP)—Sports and Youth Affairs Minister Pak Chol-on announced Saturday he was quitting one of the most powerful private organizations in the ruling Democratic Liberal Party [DLP] to show that the group did not have a hidden political agenda.

In a press conference at a downtown hotel in Seoul, Pak, widely believed to aspire to the presidency and to have created the Wolgyesu-hoe (Laurel Club) as a launching pad, said he hoped his departure would disprove allegations that it was a private organization dedicated to furthering the political purposes of a certain person.

"Wolgyesu-hoe started as a purely private grouping of people supporting President No Tae-u's philosophy of governing, including the June 29 (democratization) declaration. But it is distorted as a private organization for political purposes of a specific person these days. I've decided to resign as the club's adviser to make it clear that the prevalent belief is wrong," Pak said.

The minister, a nephew-in-law of President No Tae-u, and often described as the architect of No's northern policy of improving relations with communist countries, said he had consulted the President before making the decision to resign and that he assumed such a decision would "come in accord with his will."

Asked the possibility of the club being disbanded, Pak, a DLP lawmaker, said it was up to the members themselves and ultimately up to President No as it is his favorite organization. No's single five-year presidential term expires in February 1993.

Pak said he neither discussed his move with the party officials nor was considering resigning from the DLP.

Asked to comment on Taeji-hoe, another fraternity in the DLP of his supporters, Pak said, "I'm not the president or secretary-general. As far as the association is concerned, I'm not in a position to talk to them to do something or not."

DLP Rep. Yi Chae-hwang, president of Wolgyesu-hoe, said he was resigning from the presidency along with Pak.

Officials at Wolgyesu-hoe said the next president would be elected next week "probably among non-politicians."

Resignation From Club Analyzed

SK0604074591 Seoul YONHAP in English 0617 GMT 6 Apr 91

[By Kim Hung-suk]

[Text] Seoul, April 6 (YONHAP)—The political picture was thrown into confusion Saturday by the surprise resignation of Rep. Pak Chol-on, a relative and close confidant of President No Tae-u, from a powerful fraternity in the ruling party.

Capping a week of disputes in and outside No's Democratic Liberal Party [DLP] over an agreement April 1 between DLP Executive Chairman Kim Yong-sam and Kim Tae-chung, president of the Party for Peace and Democracy, Pak said he was stepping down as a Wolgyesu-hoe [Laurel Wreath Society] adviser "to do no more harm to its members."

Political analysts speculate that Pak has gone to ground because he fears being fingered as the ringleader in factional strife at a time when Kim Yong-sam, a detested rival since he joined the DLP early last year, was being accused of the same crime for having a swing with Kim Tae-chung.

Pak and Kim have fought like cat and dog over who played the key role in normalizing relations between Seoul and Moscow last fall, an event that was one of the most important diplomatic achievements of the incumbent government. Kim once threatened to resign as DLP co-chairman to protest Pak's attitude toward him.

Wolgyesu-hoe, which has over 20 chapters around the nation and 30,000 members, was unquestionable factor in No's victory in the 1987 presidential race over Kim Yong-sam, Kim Tae-chung and Kim Chong-pil, now also a DLP co-chairman.

With the next presidential election due late next year, the club is often seen as preparing the ground for a bid by Pak to slip into No's shoes.

"Wolgyesu-hoe pursues purely ideals—democratic development, national reconciliation and reunification of the nation. However, I have marred its image and I've decided to leave because I want to do no more harm to the members," Pak said.

Pak has repeatedly denied he intends to run for the presidency and reaffirmed this long-held position Saturday, but Kim Yong-sam's DLP faction and its sympathizers are demanding the breakup of Wolgyesu-hoe, calling it the prime force behind Pak's shot at the top seat in the administration.

In this context, some political analysts see Pak's resignation from the Wolgyesu-hoe as preemptive. By leaving the much-talked-about club now, Pak may protect himself and the association from DLP forces that are aiming to eliminate them both from the political scene. Another motive behind the shrewd politician's action may be his loyalty to No.

On March 23, No invited Pak, his wife's nephew, and some other members of his clan who are deeply involved in politics—such as Kim Pok-tong and Kum Chin-ho—to his official residence for dinner and a chat about party unity and reconciliation.

No made specific reference to newspaper reports March 11 that described Pak as "the rising sun" in connection with the 1992 race for the Blue House, informed sources said.

A haunting question is whether Pak, who despite his title was the undisputed power behind the group since he founded it for the 1987 presidential race, has left for good or only temporarily.

Wolgyesu-hoe without Pak would no longer be Wolgyesu-hoe, analysts say. And Kim Yong-sam's DLP faction was not in the least mollified by Pak's departure, charging that despite his words they were sure that Deng Xiaoping-like he would retain full control whatever his official relationship with the group was.

Pak himself has ruled out the possibility of breaking up the well-built organization, saying no one has the right to disband a purely non-political fraternity. With this in mind, political analysts say the parting of ways can be only temporary.

Dailies View No's Wolgyesu-hoe Connection

SK0804112791 Seoul YONHAP in English 1002 GMT 8 Apr 91

[Text] Seoul, April 8 (YONHAP)—Seoul's leading afternoon newspapers have urged President N Tae-u to dissolve Wolgyesu-hoe [Laurel Club], a powerful inner circle of the ruling party set up and headed by Sports and Youth Minister Pak Chol-on.

The influential TONG-A ILBO said in an editorial Monday that it welcomed No's ouster of his wife's cousin from the group as well past due. Changing the leader but keeping the organization intact was regarded as deception, it said, urging the immediate liquidation of the private group.

"We once again urge the dissolution of Wolgyesu-hoe and call for the evils committed by its members to be the subject of a special inspection or hearing by the National Assembly," the daily said.

It said no one could deny that the group was subject to public condemnation. It pointed out that a protest document, which was said to have been adopted by "200,000 public servants at various government agencies damaged by Wolgyesu-hoe," was recently circulated among media.

Members of Pak's group have meddled in personnel management in various government agencies such as the Agency for National Security Planning, prosecution, police and Home Ministry, according to the document.

Everyone seeking political backing for their activities sought to join the group, formed during No's election campaign in 1987, and there was suspicion that organized crimes were being protected by the powerful shield of Wolgyesu-hoe, the paper said.

CHUNGANG ILBO, another influential afternoon paper, said No should dissolve the group or make it an official party organization. It said it has yet to be answered whether Pak's resignation from Wolgyesu-hoe really meant a permanent withdrawal from the race for the presidencial nomination.

It was No himself who made Pak, a political junior who joined the National Assembly in 1988, boss of the largest fraternity (in the ruling party), the paper said.

If removing Pak was a trick to deprive Kim Yong-sam, DLP executive chairman, of a weapon against No in the fight for the presidential nomination it would backfire and lead to No's personal and political downfall, it said.

The KUNGMIN ILBO, a church-run daily, said in an editorial it could see no raison d'etre for the 2 million-member society.

"If the group was born as a private organization to support a presidential contender, it should have been dissolved when the election was over," it said.

There was no reason for an incumbent president to have a private organization, it said.

"Needless to say, all private power blocs, including Wolgyesu-hoe, should be dissolved immediately," it said.

Interview With Chairman of New Party Committee

SK0804121891 Seoul TONG-A ILBO in Korean 6 Apr 91 p 2

[Interview with Yi U-chong, chairman of the preparatory committee to found a new political party, the New Democratic Union (Sinmindang), by reporter Kim Chang-hui]

[Text] "We will challenge in our own way the authoritarian structure within the traditional opposition party, which is firmly established. Don't you think that the organization will become flexible and new trends will be formed through this kind of process?"

Yi U-chong (68), chairman of the preparatory committee to found a new political party, the New Democratic Union, revealed such ambition on the occasion of the merger with the Party for Peace and Democracy [PPD] on 9 April. She has been appointed chief executive member of the new party.

She gave a broad smile and said: "However, don't think that we have the intention or the ability to overthrow the existing opposition party."

Her smiling face reminded me of a girl's smile. It was difficult to find a face of a dissident politician in her appearance.

[Kim] What is your impression on changing from a "dissident" to a "political leader?"

[Yi] I cannot shake off the feeling that I am somewhere I shouldn't be. I took this position because Rev. Kim Kwan-sok was to become the chairman and I was told clearly from the start that I was only to be the "chairman of the preparatory committee. That is why I took this position..."

However, she added that from 1973 she worked in the field of human rights as a dissident, thus naturally forming ties with politics. "I felt that struggling in the streets was insufficient right before and after the "29 June" 1987 declaration. I felt that when the established institution accepts our demand and makes it policy, then the vicious circle of sacrifice can be stopped and our struggle can achieve results. This is what I think.

[Kim] The opposition parties all call this the "first step merger." What are the plans for the "great merger?"

[Yi] Last year when we tried to carry out the National Council for Promotion of the Reunification, there were many difficulties and it was not carried out well. Whether or not the members get elected in the next elections for a seat in the National Assembly is the most important issue. In this kind of situation what kind of method can be put forth? However, this time other opposition parties are joining us individually, leading us to believe that the merger is making progress in a "practical" sense. Of course, after we hold the large-district local elections we will have a clearer picture of how the people want to carry out the merger.

[Kim] There are people who think that the New Democratic Union side has a better understanding of President Kim Tae-chung than the figures within the PPD. What do you think about this?

[Yi] That is an exaggeration. But personally, I think that there is no other leader like President Kim, who can be groomed as a leader and who possesses such leadership and statesmanship. Therefore, we are just thinking that the merger is the only alternative.

Yi U-chong is short—only 150 centimeters tall—and comes across as very friendly, but in every word she says, her opinion is expressed clearly and with "conviction". She is single and her grandfather is Yi Hae-cho, writer of the book, "Freedom Bell," a pioneer of new-style novels.

Burma

Government Says Karen Insurgency Collapsing

BK0604114091 Hong Kong AFP in English 1045 GMT 6 Apr 91

[Excerpt] Rangoon, April 6 (AFP)—Burma's military government said Saturday the Karen ethnic minority insurgency, the strongest among a dozen fighting in mountainous jungle areas along the border with Thailand, was on the verge of annihilation.

The comment in the state-owned WORKING PEOPLE'S DAILY came as Rangoon's forces have been attempting since last month to overrun the Karen National Union (KNU) headquarters at Manerplaw, located in eastern Burma and adjacent to the border.

Karen guerrillas were "on the verge of being annihilated due to the relentless onslaught of the military," the WORKING PEOPLE'S DAILY said in an editorial on the fighting near Manerplaw. The newspaper described the KNU as "one of the main obstacles hampering development" in Burma and urged the people to cooperate with the military to wipe out the guerrillas. The KNU and other ethnic minority insurgency groups have been fighting the central government for autonomy almost since Burma won independence from Britain in 1948.

According to earlier official dispatches over Radio Rangoon the government soldiers began their push towards Manerplaw, on the western bank of the Moei which marks the border between Burma and Thailand, on March 16. The radio reported that government troops, backed by aircraft and artillery, had met with "fierce resistance" from the guerrillas.

KNU sources and a Thai officer stationed at the border said Friday that government soldiers had pulled back over the past few days after meeting strong resistance from guerrillas defending advance positions around the Karen stronghold. But the Thai officer said the government retreat appeared to be only a temporary withdrawal and forecast the battle to for Manerplaw would begin again soon. [passage omitted]

Army Retreat 'Temporary Withdrawal'

BK0504145891 Hong Kong AFP in English 1451 GMT 5 Apr 91

[Text] Bangkok, April 5 (AFP)—A 3,000-strong Rangoon Goverment force attacking the headquarters of Karen National Union (KNU) guerrillas in eastern Burma has pulled back because of strong resistance and difficult terrain, Thai and KNU sources said Friday.

A KNU officer confirmed an earlier Rangoon Radio report that the Burmese Army had last month launched an offensive against Manerplaw, which is some 170 kilometers (100 miles) northwest of the Thai border town of Mae Sot. But the attackers had to pull back after heavy resistance from guerrillas deployed in advance positions around Manerplaw, the officer said by telephone from Mae Sot, some 420 kilometres (260 miles) northwest of here.

The officer said the Burmese attacking force, which had used 81-mm and 120-mm mortars to soften up KNU positions north of Manerplaw, had captured a string of Karen outposts. But the force, hampered by treacherous mountain terrain and poor logistics, had to retreat Wednesday, he said.

"The Rangoon soldiers have pulled back by a few kilometres (miles) from their forward positions, and are regrouping in several areas some 10 kilometres (six miles) to the north," he said. The officer said the Burmese Air Force sent several aging Yugoslav-built G-4 fighter-bombers to bombard Karen positions around Manerplaw last week, but that the air strikes had failed to dislodge the guerrillas from their mountain bases and the air raids were stopped Monday.

The Karens, allied to some dozen ethnic minorty insurgency groups under the National Democratic Front (NDF) umbrella organization, have been fighting for autonomy of Burma's eastern Karen state since the country gained independence from Britain in 1948.

A Thai officer, attached to the paramilitary Border Patrol Police (BPP) unit stationed near Mae Sot, confirmed Friday the withdrawal of Rangoon's troops from around Manerplaw, but said he expected that a battle to overrun the Karen stronghold would begin again soon.

The officer said the retreat of the government troops was only a temporary withdrawal. "It's only a military tactic. The Burmese are replenishing their ammunition and food supplies, and as soon as that's done, they would go on the offensive again very soon," the BPP officer said.

Rangoon had mobilized the bulk of its ground forces up to Kachin state, just north of Karen state, and have been engaged in battles with the Kachin insurgents since mid-February, the officer said. He said the Kachin guerrillas were about to move their forces southward to join up with the Karens to defend the NDF headquarters at Manerplaw, but were intercepted by Burmese forces.

"Burmese troops and the Kachins have been engaged in very heavy fighting since late February, but we have no idea of the casualties on either side," the BPP officer said. The Thai officer also said a number of Burmese military aircraft last week unsuccessfully attempted to bomb Karen positions in and around Manerplaw. "The only way to seize Manerplaw would be from the ground, which would cost lives and ammunition and lot of time," the officer said.

Karen Insurgents Launch Rockets on Kawkareik

BK0704151391 Rangoon Domestic Service in Burmese 1330 GMT 7 Apr 91

[Text] The KNU [Karen National Union] insurgents have been disturbing peace and tranquillity and have been shooting and launching attacks with the intention of causing death and injuries to innocent people and destroying towns and villages. Thus, one KNU insurgent group at about 1325 on 6 April launched eight rockets from a 2.75 Rocket Launcher from the southeast of Kawkareik into the living quarters of the city. Our armed forces retaliated with heavy arms fire and the KNU insurgents retreated.

Four innocent people from Kawkareik—Maung San Mya, 28, of Wingyi ward; hospital worker Maung Saw Kapaw Se, 21; Saw Pon Par, 24; and Ma Nilar Win, 7, of Wingyi ward—were injured because of the attack. The armed forces columns are pursuing the fleeing insurgents.

Thai-Burmese Campaign To Target Khun Sa

BK0704011791 Bangkok THE NATION in English 7 Apr 91 p A1

[By Kokhet Chanthaloetluk]

[Text] Thai and Burmese military have agreed to launch a sustained "search-and-destroy" campaign to suppress the personal army of drug kingpin Khun Sa and disrupt its heroin production in the Golden Triangle, military sources told THE NATION yesterday.

The United States has agreed to extend Bt [baht] 1 billion to fund the campaign whose details are still under the wrap, the sources said. The main thrust of the campaign is to search and destroy Khun Sa's forces and disrupt their ability to produce and distribute heroin through Thailand.

The sources said Thai troops would form the backbone of the operations, expected to start late this month in the border areas opposite Mae Hong Son province in northern Thailand. The campaign, which was agreed upon by the three sides, will be sustained until "we can extirpate the world's largest narcotics production movement", the sources said. There was no time-frame set for the conclusion of the campaign, the sources said. Khun Sa's Muang Tai army is estimated to have a strength of about 5,000 men.

The Burmese military, the sources said, had more logistics problems than the Thai side and would therefore support the offensive by forcing Khun Sa's men from areas deep inside Burma towards the border. The sources said the Thai military had decided that it was time to go after Khun Sa's forces relentlessly to show to the world that Thailand took a serious view of the narcotics problem.

The Thai military has also learned that the operations of Khun Sa's forces were greatly damaging to Thailand's economic and security interests. The sources said a group of Thai loggers who won concessions from Burma had colluded with Khun Sa in depleting Thai forest on the border.

"With assistance from Khun Sa, Thai trees were felled, transported into Burnmese territory and brought into Thailand as if they were products of the logging concessions in Burma," said one source who asked not to be identified. The sources also said that the unscrupulous Thai loggers also supplied war weapons to Khun Sa's army.

Khun Sa has probably expected the forthcoming military campaign against his army after the Third Army Region ferociously bombed his strongholds in Doi Laktaeng and Doi Laem inside Burma close to the border district town of Mae Ai in Chiang Mai last month.

The Third Army Region resorted to artillery shelling, aerial bombing and strafing by helicopter gunships in the operation against the outlawed force's hide-outs on the two hills in what was officially described as reataliation for the deaths and injuries caused by stray mortar shells supposedly fired by Khun Sa troops.

The mortar shells landed on the Thai side during a flare-up between Khun Sa's army and the rival Wa force, a minority Burmese movement seeking to capture Khun Sa's strongholds. Khun Sa's forces finally retreated from the bases as a result of the battering they took from the Thais.

The retaliation to "protect the lives and properties of Thai villagers on the border" dealt a heavy blow to Khun Sa because Mae Ai district, which is just about 2.5 km from the drug lord's former base on Doi Laktaeng, was the major source of supply for his outlawed army. "We practically cut a major lifeline of Khun Sa's army," one source said.

The Muang Tai army establisghed its strongholds on the two hills two years ago and reportedly used Mae Ai and Fang districts as the main routes to smuggle narcotic products.

Brunei, Malaysia & Singapore

Malaysia

Indonesian Villagers Flee Troop-Rebel Clashes

BK0804090091 Hong Kong AFP in English 0821 GMT 8 Apr 91

[By Mervin Nambiar]

[Text] Kuala Lumpur, April 8 (AFP)—More than 100 villagers from Indonesia's troubled Aceh Province have fled to Malaysia in fishing boats seeking refuge from fighting between government troops and separatist rebels, sources here said Monday.

The sources with close links to the separatist "Aceh Merdeka" or Free Aceh Movement in Northern Sumatra said that the villagers, who included women and children, had asked local officials for asylum after landing in northern Penang and Kedah states.

"We hope Malaysia will not send them back. They face persecution, even death, by the military if they return home," a representative of the Aceh Merdeka Movemement, speaking on condition of anonymity, said.

The villagers landed in three groups, the first batch of 51 in mid-March, 30 more last Tuesday and 28 on Sunday. At least one boatload of Indonesians, believed to be from Aceh, was turned away on the high seas in February, sources said.

Acehnese sources here said that the Aceh Merdeka Movement, headquartered in Stockholm, Sweden, had approached the United Nations High Commissioner for Refugees (UNHCR) to have the villagers designated as refugees but a refugee official here said he was not aware of any such request.

An Indonesian diplomat said that the villagers were probably members or supporters of the Gerakan Pengachau Aceh or Aceh Dissidents Movement, Jakarta's name for the Aceh Merdeka Movement, fleeing military operations.

"They are running away from the law seeking a safe haven," he said, adding that Indonesian officials had not contacted the Malaysian Government to discuss the issue. He said it was up to Malaysia to decide whether or not to treat the Acehnese as refugees.

Malaysia's Deputy Home Affairs Minister Megat Junid Ayob said that the Acehnese would be kept under close guard until the UNHCR ruled on their status.

Malaysia did not want to get involved in what was essentially an Indonesian domestic problem but humanitarian principles dictated that Malaysia should not force them out, BERNAMA news agency quoted Mr. Junid as saying.

Acehnese sources here say that some 5,000 people, mostly civilians, have died in the Indonesian military crackdown on rebels between May 1989 and the end of last year but Malaysian sources said the toll was probably lower.

The Washington-based Asia Watch, a human rights organisation, estimated in a report late last year that up to 1,000 people on both sides of the conflict may have died since mid-1989, more from summary executions than actual armed clashes.

Acehnese sources here said that the Indonesian military had deployed up to 30,000 troops to flush out some 5,000 armed rebels, many operating in the Perlak District of Aceh where the rebel movemement is said to be strongest.

Many of the Acehnese who have landed in Malaysia are said to be from Perlak.

A senior government source said that the Acehnese landings could strain bilateral ties because any move to grant the arrivals asylum would imply Kuala Lumpur's acceptance of rebel claims of human rights abuses in the northern Sumatran Province.

"We would rather let the UNHCR determine the status of the Acehnese," he said, adding: "We do not want to create a rift with Indonesia because it is quite beyond Malaysia to understand the problem in Aceh."

The secretary-general of the Malaysian Foreign Ministry, Ahmad Kamil Jaafar, said that he expected to discuss the issue during a meeting with his Indonesian countepart scheduled to be held here on May 2.

Aceh Groups Detained in Penang

BK0804090891 Kuala Lumpur International Service in English 0800 GMT 8 Apr 91

[Text] Groups of boat people, including women and children from Aceh, North Sumatera who landed in Penang last night have been detained. Deputy Home Minister Datuk Megat Junid Megat Ayob says his ministry will [words indistinct] from the Foreign Ministry on the status of those detained whether they are refugees or illegal immigrants. He was commenting on a REUTER report that 81 people from the North Sumatera district had been detained at the police headquarters in Penang. They were said to have fled from the reported unrest and (?new waves) of fighting between government forces and antigovernment elements in Aceh.

Datuk Megat Junid said it was up to the United Nations High Commissioner for Refugees, UNHCR, to determine their status. As far as he knows, their status has not been determined. The agency report quoted the Indonesians as taking refugee status from the UNHCR.

Minister Views Joint Commission With Indonesia

BK0704142091 Kuala Lumpur Domestic Service in English 1330 GMT 7 Apr 91

[Text] The proposed Malaysia-Indonesia joint commission will not duplicate the duties of the General Border Committee [GBC]. Foreign Minister Datuk Abdullah Ahmad Badawi said this in Kepala Batas today.

The commission would regulate wide ranging activities involving both countries and ensure that they were carried out without any red tape, he told reporters. On the other hand, the GBC, which is mainly comprized of military officers, was more involved in matters relating to the common borders of both countries.

Earlier, Datuk Abdullah presented hari raya (id al-fitr) gifts to 60 old folks from Pinang Tunggal.

PRC Official on Desire for More Direct Trade

BK0604072291 Kuala Lumpur BERNAMA in English 0333 GMT 6 Apr 91

[Text] Kuala Lumpur, April 6 (OANA-BERNAMA)—China would like to do more direct business with Malaysia and reduce trade through third countries.

Two of the 15 state-owned companies have the authorisation to do direct trade with overseas companies, special advisor to the Ministry of the Chamber of Commerce and Industry Huang Liangchen said.

Initially we do not expect all companies to trade directly with China. However, the ministry will assist companies seeking to trade with China by linking them with some government-owned companies already trading directly, Huang said after the opening of the China products exhibition '91 here Friday.

He said frequent visits by trade officials of both countries have enhanced the bilateral relationship and cooperation between China and Malaysia.

The Chinese Government's policies are in favour of foreign investment and we have a favourable tax system aimed at encouraging trade, Huang added.

He said China needs the funds and technology from foreign investment for the industrial development of the country.

Troops 'Ready' To Go to Iraq-Kuwait Border

BK0604100291 Kuala Lumpur International Service in English 0600 GMT 6 Apr 91

[Text] The Malaysian Army is ready to send its troops to participate in a UN observer force to monitor a demilitarized zone along the Iraq-Kuwaiti border and try to prevent violations of the cease-fire. Its chief General Tan Sri Hashim Ali says the armed forces is waiting for an official request from the United Nations. It will send about 25 members to join the UN observer force if the request is received. He told reporters this in Kuala Lumpur.

In New York, UN Secretary General Javier Perez de Cuellar is putting the finishing touches on his plan for the UN observer force, which is expected to cost $40 to $50 million per year.

Fifth Singapore Airlines Hijacker Arrested

BK0604054691 Kuala Lumpur BERNAMA in English 0459 GMT 6 Apr 91

[Text] Kuala Lumpur, April 6 (OANA-BERNAMA)—Police have detained a Pakistani man, believed to be the fifth member of the terrorist gang responsible for last Tuesday's hijacking of a Singapore Airline (SIA) Airbus.

The suspect, in his 40's, was detained along Masjid India Road here on Tuesday by Special Branch officers.

He is being detained at a police station here.

Four Pakistanis hijacked flight SQ117, which took off from the Kuala Lumpur International Airport.

The four, armed with pen-knives and fire crackers, were shot dead by Singapore Armed Forces commandos eight hours later when the plane landed at the Changi Airport to refuel. All hostages were rescued unhurt.

PBS To 'Concentrate' on Better Government Ties

BK0704132091 Kuala Lumpur NEW STRAITS TIMES in English 3 Apr 91 p 2

[Text] Kota Kinabalu, Tues.—Parti Bersatu Sabah [PBS] is not joining the Gagasan Rakyat [People's Front] but will instead concentrate on improving its relations with the Federal Government.

PBS secretary-general Datuk Joseph Kurup said the party's alignment with Gagasan Rakyat during the last general election was only an informal understanding.

"What is more important now is to rebuild the collapsed bridge between Sabah and Kuala Lumpur...it can be rebuilt and become even stronger," he said.

Datuk Kurup, who is the State Finance minister, was commenting on the PBS position in the light of Gagasan Rakyat's plan to form a coalition opposition as a prelude to a two-party system in the country.

He said for the sake of the people of Sabah, PBS would make concerted efforts to rebuild the "good old ties" with the Federal Government.

"PBS will explain to Federal leaders the political situation in Sabah, the sentiments of the people and the culture and traditions of the people," he said.

He expressed hope that the leaders would listen because the "bottom line was always to create a better understanding between the State and Federal Government leaders".

Datuk Kurup is the latest PBS leader to express hope for a better relationship between the State and Federal Governments.

Last week, Chief minister and PBS president Datuk Seri Joseph Pairin Kitingan said his party was prepared to consider positive suggestions that could improve relations with the Federal Government.

He said the State leaders were willing to meet the appropriate parties at the right time.

Newly Discovered Oilfield Off Terengganu Coast

BK0704132891 Kuala Lumpur NEW STRAITS TIMES in English 4 Apr 91 p 7

[Text] Kuala Terengganu, Wed—Datuk Seri Dr Mahathir Mohamad will launch a new crude oil, the Dulang Crude, produced by the newly-discovered Dulang oilfield off the coast of Terengganu after the Hari Raya Puasa celebration.

The Prime Minister is expected to launch the crude at Petronas' [state-owned oil company] Kelab Desa, Kemasik about 120km from here at 9pm on April 22.

The $1.5 billion Dulang oilfield project which marks Petronas Carigali's entrance as an operator of a major oilfield, is located 130km off Terengganu.

It has an estimated 550 million standard tank barrels (mmstb) of oil of which about 175 million mmstb are recoverable reserves.

The development of Dulang will be carried out in three phases. Production facilities include four platforms and a single-point mooring floating storage and offloading (FSO) system comprising a storage vessel and a sub-sea pipeline network.

It consists of four platforms, three of which are unmanned satellite drilling/platforms and the fourth, a central integrated drilling production platform which also houses the living quarters.

Crude from the three platforms DL-A, DL-C and DL-D, will be transported to the FSO for temporary storage prior to export via shuttle tankers.

The launching of the new crude is in conjunction with the Prime Minister's two-day visit to the Petronas oil installations in Kerteh and offshore Terengganu.

According to Petronas general manager (east coast) Abdullah Ahmad, the Prime Minister is also expected to visit the Dulang B platform where he will be briefed by Petronas Carigali's Managing Director/Chief Executive Officer, Encik Mohd Idris Mansor.

At 4:30 pm, the Prime Minister is scheduled to visit the gas processing plant in Kerteh before launching the Dulang Crude at night.

The following day, the Prime Minister is expected to visit the Petronas refinery in Kerteh before returning to Kuala Lumpur.

Singapore

Former Communist Official Wants To Return Home

BK0504130491 Singapore THE STRAITS TIMES in English 5 Apr 91 p 3

[Text] A former parliamentary secretary to the Prime Minister, now a fugitive in the Thai border, hopes to return to Singapore one day.

Chan Sun Wing, 58, a member of the Communist Party of Malaya [CPM], made this request in a recent interview with SHIN MIN Daily News special correspondent Foong Choon Hon.

The interview was published in the evening Chinese daily yesterday.

"I have left home for 28 years. But I can never forget that Singapore is my homeland, and that Kreta Ayer was where I grew up in," he said.

Chan was one of about 15 communists who went into hiding in 1963 after Operation Cold Store, an island-wide police raid to round-up leftwing leaders, was mounted.

In the interview at Haadyai, he revealed that he escaped to Indonesia and had sought refuge in "several places" before settling down with other communist guerrillas at the Thai border.

There, he met and married a Johor-born Malaysian doctor.

In the jungle camp, he was responsible for report and analytical writing, and translation work.

"But I also need to take part in military training," he added.

Chan started as a reporter before joining the People's Action Party [PAP] when it was formed in 1954, and was responsible for publishing the Chinese edition of Petir, the PAP organ.

In 1959, he was elected to the then Legislative Assembly as the MP for Upper Serangoon, and was appointed parliamentary secretary to the Prime Minister.

Later, he defected to the Barisan Sosialis [Socialist Front] and became a bitter critic of the PAP government.

He was re-elected to the Assembly in 1963 on a Barisan ticket, as an MP for Nee Soon.

Chan said that he kept in touch with Singapore's development through videotapes and news on SBC [Singapore Broadcasting Corporation] radio broadcast, which could be received in the Thai mountains where he lived.

On the Old Guard leaders, Chan praised Senior Minister Lee Kuan Yew for setting the solid foundation for Singapore's development.

He also praised Dr Goh Keng Swee, Mr S. Rajaratnam, Mr Lim Kim San and Dr Toh Chin Chye, saying that Singapore owed its success to these leaders.

Lately, several former leftwing leaders have had their entry ban lifted by the Government.

In December, nine former Malaysian leftist politicians and trade unionists, several of whom had been arrested in Operation Cold Store, were allowed to enter Singapore.

A month later, the Government lifted the 1966 entry ban on CPM leader Eu Chooi Yip on the recommendation of his former college mate Dr Goh Keng Swee. His stay here is subject to his severing organisational ties with the CPM and its political wings and refraining from political activities.

Sanctions Against Iraqi-Flagged Ships Remain

BK0604115891 Singapore Domestic Service in English 1100 GMT 6 Apr 91

[Text] The Port of Singapore Authority [PSA] says Iraqi-flagged ships will not be allowed to enter Singapore port. PSA clarified that sanctions against Iraqi-flagged ships would remain, although it had announced the lifting of the ban yesterday. The sanctions were imposed after Iraq invaded Kuwait last August.

Cambodia

Further on 4 Apr Council of Ministers' Meeting

BK0704054391 Phnom Penh SPK in English 0413 GMT 7 Apr 91

[Text] Phnom Penh SPK April 07th—The Council of Ministers of the State of Cambodia met here Thursday [4 April] to examine and decide a number of important issues.

The session was presided over by Hun Sen, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee and chairman of the Council of Ministers.

In his opening speech, Prime Minister Hun Sen denounced the three Khmer opposition factions' bellicose policy of launching large-scale attacks on some provinces, including Banteay Meanchey, Battambang, Siem Reap-Oddar Meanchey, Kompong Thom, and Kampot, plundering civilian property, destabilizing the Cambodian people's peaceful life, and attempting to take over the State of Cambodia by force and bringing back the genocidal Pol Pot clique to the country.

He commended the government Armed Forces and people in those localities on their unity, resolve, and cooperation in repulsing all the enemy's adventurous moves and safeguading the life and property of the population.

He said that the Council of Ministers was in session at a time when the party, government, and people throughout the country are enthusiastically acting upon the resolutions of the recent 20th extraordinary session of the National Assembly, and happily welcoming the traditional New Year Day (chaul chhnam thmei). However, Prime Minister Hun Sen stressed, the entire Armed Forces and people must not, for a single minute, slacken their vigilance against any attempt by the enemy to usurp power by force of arms.

On a political solution to the conflict, Prime Minister Hun Sen said: We always persist in our efforts to find out a just and equitable political solution to the Cambodian conflict so as to bring about peace and independence for the Cambodian people which preventing any possible return of the Polpotist criminals to power in Cambodia.

During the three-day plenum, the participants heard reports on the implementation of the state plan and budget in the first three months and the orientation of state planning and financial matters for the next quarter.

Hun Sen Closes Session

BK0704072191 Phnom Penh Domestic Service in Cambodian 0430 GMT 7 Apr 91

[Text] On the morning of 5 April at the Council of Ministers office, a ceremony to close the Council of Ministers' plenum was held under the chairmanship of Comrade Hun Sen, member of the party Central Committee Political Bureau and chairman of the State of Cambodia's Council of Ministers.

For one day and a half, the participants listened to the report on the implementation of the state plan in the first quarter and its goal in the second quarter 1991, as well as the report on the performance of financial task in the first quarter and its target in the second quarter.

The conclave unanimously adopted the two reports and thoroughly discussed the targets to be achieved in the second quarter. This is a contribution to further promoting and improving the management and the execution of the state plan.

More on Closing

BK0804052091 Phnom Penh SPK in English 0417 GMT 8 Apr 91

[Text] Phnom Penh Spk April 8—The Concil of Ministers of the State of Cambodia closed its two-day meeting here Friday with Chairman Hun Sen in the chair.

The session focussed on the reports on the implementation of the state plan and budget in the first three months and the orientation of state planning and financial matters in the second quarter.

It was unanimous in evaluation [of] the socio-economic achievements in the first quarter and ratified the state budgetary accounts for the period.

Speaking at the closing session, Chairman Hun Sen praised the victories won by the government Armed Forces in counterattacking the enemy and foiling their attempts to disrupt the peaceful life of the people, especially the Polpotists' plot to topple the government of the State of Cambodia by force and to come back to power.

On a political solution to the Cambodian problem, Hun Sen reiterated the principled stance of the State of Cambodia as the basis for a settlement, which calls for concrete measures to prevent the return of the Pol Pot clique and the maintenance of the military and political status quo pending the formation of a new government through free and fair general elections. He said that the United Nations role in a political solution to the Cambodian problem must conform to the U.N. Charter and the principle of respect for Cambodia's sovereignty and right to self-determination.

Chairman Hun Sen highly valued the efforts of the members of the Council of Ministers in discharging their tasks for national construction and defence. He also spoke of difficulties caused by corruption and other negative phenomena in the society.

Japan Earmarks More Than $1 Million in Aid

BK0804091691 Hong Kong AFP in English 0903 GMT 8 Apr 91

[Text] Bangkok, April 8 (AFP)—Japan earmarked humanitarian aid worth more than one million dollars to the Phnom Penh government for the first time in Tokyo's last fiscal year, diplomats said here Monday.

The diplomats indicated that Japan had, also for the first time, asked for a 20 per cent "fundamental ratio" of a 11.3 million dollar food aid package for the fiscal year which ended March 31 to go specifically to the Hanoi-installed government in Phnom Penh.

The assistance is made available through the United Nations, they said.

Japanese aid to Phnom Penh includes a further one million dollars for relief operations for displaced persons inside Cambodia, the diplomats said.

Another 370,000 dollars has been allocated for medical assistance and aid to nongovernmental organizations, they said.

Past food aid from Japan has reached Phnom Penh-controlled zones of Cambodia as part of contributions to the United Nations for all Cambodian refugees, with most of the relief going to the more than 300,000 refugees in guerrilla-controlled camps in Thailand.

After Vietnam invaded Cambodia 12 years ago to overthrow a Khmer Rouge regime and set up a friendly government in Phnom Penh, Japan became the only non-communist industrialized country to formally recognize the resistance coalition comprising the Khmer Rouge and two smaller non-communist groups.

Western countries including the United States, which has given non-military assistance to the non-communist factions, have refrained from recognizing the resistance because of the presence of the Khmer Rouge, whose rule between 1975 and 1979 left hundreds of thousands dead in Cambodia.

Khmer Rouge Reportedly Abandons Pailin Area

BK0604093591 Hong Kong AFP in English 0926 GMT 6 Apr 91

[Text] Phnom Penh, April 6 (AFP)—The Khmer Rouge has withdrawn from the rich gem mining area of Pailin in the east of Cambodia under pressure from Phnom Penh forces, diplomats and local sources said here Saturday.

Artillery and air bombardments by government troops in recent weeks forced the withdrawal of the Khmer Rouge from the important mining area, the sources said.

The Khmer Rouge, the main armed opposition force fighting the government here, has controlled the area bordering Thailand since the end of 1989 when it launched an offensive to coincide with the withdrawal of Vietnamese troops.

According to a Cambodian source, the Khmer Rouge have also withdrawn from Phnom Melai region, further to the north, but are still in Samlot, a mountainous area south of Pailin.

"The first offensives launched in these areas by the Cambodian Army at the start of the year were stalemates, but this time the Cambodians were helped by the Vietnamese, as they are in other combat areas," a diplomatic source said.

"The government forces are just a few kilometres (miles) from the town of Pailin, but don't want to occupy it as it is difficult to defend in the event of another attack by the Khmer Rouge," the source added.

Gem miners working under the control of the Khmer Rouge have left the area, an important source of precious stones, particularly rubies, a source said.

"If the situation remains stable we may soon allow the miners to return to the area," the source said.

According to the source, the withdrawal of the Khmer Rouge from the area is important economically and psychologically.

"Economically because the Khmer Rouge received substantial funds from the mines and pyschologically because if this military trend continues it will show the people Phnom Penh's ability to stabilise the country," he said.

According to a Soviet official, heavy artillery played a more important role in the fighting than aerial bombardments because of Phnom Penh's limited air capacity.

"Because of a shortage of spare parts, only five out of the government's 18 MiG-21s are operational," he said, adding this was an improvement on the situation at the start of the year when only two jets were flying.

(Thai officials in Trat Province, adjacent to Cambodia's Pailin area, said Saturday they had no reports of a Khmer Rouge withdrawal, adding no fighting could be heard during the day from Thailand's border township of Pong Nam Ron, which is opposite Pailin.

(In a report over its Clandestine Radio Thursday the Khmer Rouge said it had contained strong government attacks to the east of Thailand's border during the end of March, killing 79 Phnom Penh soldiers and destroying six Soviet-built T-54 tanks.

(But relief workers have reported over the past several weeks the flight of thousands of civilians crossing over from eastern Cambodia into Trat's Bo Rai border district to escape air raids by Phnom Penh Soviet-made helicopter gunships and fixed-wing aircraft.

(Up to 2,500 Cambodian refugees had taken shelter in Site-K, a settlement controlled near the border by the Khmer Rouge and aided by the United Nations, they said.

(Thousands of Thai and Burmese gem miners who had been prospecting in the Pailin area had also crossed back into Thailand, the relief workers said.

(In the Phnum Malai area, some 80 kilometers (50 miles) due north of Pailin, the Khmer Rouge had come under strong pressure from Phnom Penh forces, but was still holding its base there, Thai military officers said at Thailand's Aranyaprathet border town.

(The officers said there had been no fighting in that area, to the southwest of Aranyaprathet, since Thursday, but added it was likely to resume soon, perhaps after the traditional Cambodian new year April 13.)

Resistance Ready To Attend Jakarta Meeting

BK0604004991 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 5 Apr 91

[Message from the leaders of the tripartite Cambodian national resistance, Son Sann, Khieu Samphan, and Prince Ranariddh, to the cochairmen of the Paris International Conference on Cambodia—read by announcer]

[Text] The leaders of the tripartite Cambodian national resistance [CNR]—His Excellency Son Sann, His Excellency Khieu Samphan, and Prince Ranariddh—on 4 April sent a joint message to Their Excellencies Ali Alatas and Roland Dumas, cochairmen of the Paris International Conference on Cambodia, to reaffirm the CNR's support and readiness to participate in the meeting between the cochairmen of the Paris International Conference on Cambodia and the members of the Cambodian Supreme National Council [SNC] scheduled for April in Jakarta. The meeting is aimed at promoting and reconvening, as soon as possible, the meeting of the coordinating committee of the Paris International Conference on Cambodia in keeping with the Paris 23 December 1990 joint statement. The following is the full content of the message:

To His Excellency Ali Alatas, Indonesian foreign minister and cochairman of the Paris International Conference on Cambodia;

To His Excellency Roland Dumas, French foreign minister and cochairman of the Paris International Conference on Cambodia.

Your Excellencies:

We would like to renew our deep gratitude to you for your paramount efforts in trying to organize another meeting in Jakarta between the member of the Cambodian SNC members and you, in your capacity as the cochairmen of the Paris International Conference on Cambodia, with the view of clearing the way for reconvening a meeting of the coordinating committee of the Paris International Conference on Cambodia at an earlier date in keeping with the Paris 23 December 1990 joint statement. In view of this, we would like reaffirm our readiness to participate in the planned meeting in Jakarta and hope that the conclave will be held in the near future in order to expedite a political settlement of the Cambodian problem.

Attempting to delay the meeting will only extend the suffering of the Cambodian people and the Cambodian nation.

[Signed] Son Sann, Khieu Samphan, Ranariddh

Statement on Jakarta Meeting

BK0604014591 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 5 Apr 91

["Statement of the Cambodian National Resistance"—dated 4 April; read by announcer]

[Text] The leaders of the tripartite Cambodian national resistance [CNR] on 4 April issued a statement the content of which is as follows:

1. The Paris 23 December 1990 joint statement has called for the reconvening of an early meeting of the coordinating committee of the Paris International Conference on Cambodia. The cochairmen of the Paris International Conference on Cambodia have displayed their most sincere efforts to achieve this objective.

In early February 1991, the cochairmen of the Paris International Conference on Cambodia proposed reconvening another meeting between themselves and the members of the Supreme National Council [SNC] in Jakarta.

2. The three parties of the CNR have stated on many occasions that the CNR is ready to participate in the Jakarta meeting as proposed by the cochairmen with a view toward expediting a comprehensive political settlement of the Cambodian problem based on the document of the five permanent members of the UN Security Council [UNSC] dated 28 August 1990 and the draft agreement dated 26 December 1990.

3. However, Vietnam and the Phnom Penh side have painstakingly strived with all manner of maneuvers to resist the reconvening of the Jakarta meeting and the meeting of the coordinating committee.

The position of Vietnam and the Phnom Penh side, in accordance with their past concrete activities, is:

A. To modify the five UNSC permanent members' 28 August 1990 framework document which is endorsed by the entire UNSC through its resolution 668/90 on 20 September 1990.

B. To divert the goal of the settlement of the Cambodian problem from the framework of the Paris International Conference on Cambodia.

C. To obstruct the meeting of the coordinating committee of the Paris International Conference on Cambodia.

The aforementioned moves and their current activities to intensify their war of aggression in Cambodia is clear evidence that Vietnam and the regime it has installed in Phnom Penh do not want to resolve the Cambodian problem via a comprehensive political solution.

4. The three parties of the CNR wish to reaffirm that they are very pleased to participate in the Jakarta meeting between the cochairmen of the Paris International Conference on Cambodia and the SNC members, and they hope that the Jakarta meeting will be reconvened this April.

The CNR would like to appeal to all the peace- and independence-loving countries to continue to apply pressure upon Vietnam and the Vietnamese-installed regime in Phnom Penh to force them to accept the 28 August

1990 framework document and the 26 November 1990 draft agreement and to respect the Paris 23 December 1990 joint statement.

The tripartite CNR wishes to renew their profound thanks to all the friendly countries, in particular the ASEAN states and the cochairmen of the Paris international conference.

[Dated] 4 April 1991

Commentary Remarks on Planned Jakarta Meeting

BK0704045591 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 6 Apr 91

[Station commentary: "Vietnam's Order for the Puppets to Delay the Meeting Between the Four Cambodian Parties and the Cochairmen of the Paris International Conference on Cambodia Is a Stratagem To Ruin the International Community's Peace Efforts and the United Nations' Documents for a Comprehensive Political Solution to the Cambodian Problem"]

[Text] The Hanoi Vietnamese leaders recently ordered half- blind, one-eyed Hun Sen—their traitorous puppet and lackey in Phnom Penh—to write a letter to the cochairmen of the Paris International Conference on Cambodia saying that they will not attend the meeting that the cochairmen have planned to organize in Jakarta this April. The Hanoi Vietnamese ordered the one-eyed puppet to claim that they are very busy this April and wish to adjourn the meeting until May.

People can clearly see that this is a stratagem concocted by the Hanoi Vietnamese aggressors aimed at ruining the efforts of the Paris International Conference cochairmen as well as the framework blueprint of the five permanent members of the UN Security Council and the 26 November 1990 draft agreement worked out by the Paris conference cochairmen. By all appearances, the reason the Vietnamese ordered the puppets not to attend the meeting between the four Cambodian parties and the cochairmen in Jakarta this April is because Vietnam is afraid that the cochairmen and the three partners of the Cambodian national resistance [CNR] will force them to accept the 28 August 1990 framework document and the 26 November 1990 draft agreement, which they have already officially endorsed through the Jakarta 10 September 1990 joint statement and the Paris 23 December 1990 statement.

The aforementioned stratagem employed by the Vietnamese enemy aggressors and the puppets clearly shows the world the tortuous, deceptive, and mercurial nature of the Vietnamese enemy aggressors, who have never honored any promise or agreement that they have signed. It is worth recalling that at the meeting between the four Cambodian parties and the cochairmen in Paris on 21-22 December 1990, the Vietnamese ordered their puppets to agree to the reconvening of an early meeting of the coordinating committee of the Paris International Conference on Cambodia to further discuss the 26 November 1990 draft agreement. Nevertheless, at the time when the Paris International Conference cochairmen met the Vietnamese in Hanoi in order to arrange for a meeting of the Paris International Conference Coordinating Committee in keeping with the Paris 23 December 1990 statement, the Hanoi Vietnamese raised the issue of organizing another meeting between the four Cambodian parties and the Paris International Conference cochairmen and pledged that they would order the puppets to join the meeting.

Now, as the planned meeting between the four Cambodian parties and the cochairmen is nearing, the Vietnamese ordered the puppets to maneuver so as to destroy the meeting. That being the case, the Hanoi Vietnamese enemy aggressors are extremely crooked. They have never respected pledges or agreements that they have signed. They make promises or enter into agreements with people just for setting themselves free on the spot, and later they will shamelessly encroach upon the promises or agreement without hesitation.

Anyway, as the Vietnamese have already staged such foul play on a great many occasions, they are no longer allowed to do so any more. Moreover, the pretext that the Vietnamese ordered the puppets to use for dodging the meeting is conspicuously illogical. This is to ruin the peace efforts of the Paris International Conference cochairmen and the UN documents for a conclusive comprehensive political solution to the Cambodian problem. As such, the international community cannot take for granted the pretext put forth by the Vietnamese and puppets. Pressure will be continued to apply on them until they consent to respect their promises and agreements—especially the Paris 23 December 1990 joint statement—and agree to join the meeting in Jakarta this April as planned in order to arrange for a meeting of the coordinating committee of the Paris International Conference on Cambodia in conformity with the Paris 23 December 1990 joint statement.

The three parties of the CNR welcome the endeavor displayed by the Paris conference cochairmen with a view toward achieving a comprehensive political solution to the Cambodian problem based on the 28 August 1990 framework blueprint and the 26 November 1990 draft agreement. They are ready to participate in the planned Jakarta meeting between the four Cambodia parties and the cochairmen of the Paris International Conference on Cambodia, and wish suggest that the meeting be held this April so the conclave of the Paris International Conference Coordinating Committee can be reconvened as soon as possible in line with the Paris 23 December 1990 joint statement.

Indonesia

Malaysian Foreign Minister Begins Visit 5 Apr

BK0504161491 Jakarta Domestic Service in Indonesian 1200 GMT 5 Apr 91

[Text] Malaysian Foreign Minister Datuk Abdullah bin Ahmad Badawi says he is not carrying any special agenda for his visit to Indonesia because the purpose of his visit is simply to introduce himself, including a courtesy call on President Suharto. Malaysian Foreign Minister Badawi said this to newsmen this morning upon his arrival at Sukarno-Hatta Airport in Jakarta for a 3-day visit to Indonesia. Minister Badawi is scheduled to pay a courtesy call on President Suharto tomorrow and to return to Malaysia on Sunday. Indonesia is the first country the Malaysian foreign minister is visiting after assuming his post in the middle of March 1991.

Views USSR as ASEAN Partner

BK0604100091 Jakarta ANTARA in English 0713 GMT 6 Apr 91

[Text] Jakarta, April 6 (OANA-ANTARA)—The Soviet Union may become an ASEAN dialogue partner such as those of other countries, but it has to be discussed first by ASEAN officials, Malaysian Minister of Foreign Affairs Abdullah Ahmad Badawi said here Saturday.

The Malaysian minister, who was accompanied by his Indonesian counterpart Ali Alatas, made the remarks after a meeting with President Suharto. "Alatas has told me about that. As a chairman of the ASEAN Permanent Committee, I am of the opinion that ASEAN should first study the problem and let it be discussed by ASEAN senior officials," Abdullah said.

The Malaysian new foreign minister said that a decision on the inclusion of the Soviet Union as an ASEAN dialogue partner would be made after ASEAN senior officials discussed all aspects with regard to the inclusion of the Soviet Union as an ASEAN dialogue partner, he said. ASEAN has now a number of dialogue partners which included the United States, Japan, Canada, and the European Community.

In the meantime, Alatas said that the Soviet Union has officially informed its intention to become an ASEAN dialogue partner. ASEAN in principle agreed to the proposal. Now, formulations are being made which could be accepted by both sides, said Alatas.

The Malaysian minister said he has no special topics which he discussed with President Suharto. He met with the president on his introductory visit as a new foreign minister. Malaysia hopes that the two countries would step up bilateral and regional relations such as those of ASEAN. He also discussed with President Suharto the willingness of Malaysia to set up a joint committee.

With the establishment of a joint committee, the relations between Indonesia and Malaysia could be carried out smoothly and to prevent the emergence of various problems, Badawi said. Alatas explained that both countries have established cooperation in various fields. During the meeting, the Malaysian minister proposed that a bilateral meeting be attended not only by senior officials but also by junior diplomats.

Military Suspects Separatists in Aceh Explosion

BK0604040491 Hong Kong AFP in English 0345 GMT 6 Apr 91

[Text] Banda Aceh, Indonesia, April 6 (AFP)—An explosion early Saturday at the residence of the police chief of Western Aceh Province killed one of the guards there, sources here said.

Police Chief Colonel Sahwan and his family, who were in the house at the time of the blast, escaped uninjured, the sources said.

Military sources suspected the involvement of the "Security Disturbing Movement (GPK)"—the official term used to define separatist movements in the country. In Aceh, the term refers to the Aceh Merdeka (Free Aceh) movement which has been campaigning for an autonomous Islamic state since the mid-1970s.

A series of trials of alleged GPK members is currently being held in several cities in Aceh. Authorities have said 18 alleged GPK members will stand trial between March and June.

Defense Institute Chief on Communist Threat

BK0604132191 Jakarta Domestic Service in Indonesian 1200 GMT 6 Apr 91

[Text] Major General Sukarto, governor of the National Defense Institute, says that glasnost and perestroyka policies initiated in the Soviet Union and spreading into Eastern European countries have not directly changed the strategy and tactics of communist movements in developing countries, including the underground movement of PKI [Indonesian Communist Party] remnants in Indonesia. These communist movements are still adopting the conservative strategy and tactics.

The governor made these remarks when he closed the first part of a national vigilance course organized by the National Defense Institute in Jakarta today. Sukarto said people should be vigilant against potential threats posed by communist and other extremist groups because they could launch subversive activities in various fields by taking advantage of weak points in society. Therefore, the aim of the national vigilance course is to produce qualified cadres who are able to spread national vigilance awareness, especially among state agencies.

Laos

Armed Forces Delegate Addresses Party Congress

BK0604112891 Vientiane Domestic Service in Lao 0000 GMT 3 Apr 91

[Speech by Lieutenant General Ai Souli-gnaseng, representative of the national defense and public security forces, delivered at the Fifth Congress of the Lao People's Revolutionary Party in Vientiane; date not given—recorded]

[Text] The various achievements won by the armed forces have, first of all, resulted from the correct and clear-sighted leadership of our party. Our various armed forces profoundly understand that to successfully fulfill the heavy tasks, first and foremost it is necessary to enhance the direct, centralized, unified, and comprehensive leadership of the party and clearly put forth and implement the leadership principles and mechanism of the party toward the armed forces, as the party's leadership is considered a major factor to determine the armed forces victory, growth, development, and strength.

Based on the lessons drawn over the past 42 years of the building of the army, in particular amid the present complex circumstances, we are of the view that it is necessary to firmly grasp and follow Leninist principles on the building of a new type of army. Some of the basic Leninist principles are as follows: The party must absolutely and directly implement the centralized, unified, and comprehensive leadership toward the army while, for its part, the army must strictly implement the party committee system; firmly grasp the principles of centralized and democratic leadership and the principles of group leadership toward responsible personnel; consolidate and perfect the political work system, the political organization system, and the political cadre system in the ranks of the army; determinedly maintain, promote, and expand the fine traditions of the army under the new situation; and fulfill the three main duties of the army, namely fighting and maintaining combat readiness, persuading and motivating the people to build people's bases, and boosting production to contribute to developing the economy and society of the country.

For this reason, we fully support the army's rules and regulations as adopted in the (?resolution) saying: The party leads the People's Army and the national defense and public security forces in a direct, centralized, unified, and comprehensive manner. We hereby pledge to correctly apply and strictly comply with the various principles, attitudes, and mechanisms of the party's leadership of the armed forces to enable the armed forces to increasingly promote and expand the true traditions of the army forever. [applause]

We pledge to remain loyal to the party and the people and to be ready to undergo sacrifices to safeguard the independence, sovereignty, and territorial integrity of the country as well as to defend the party and the revolutionary fruits.

Respected delegates to the congress, as noted in the political report, the world and regional situations will continue to change complicatedly, and this change will directly affect the revolution in our country. In view of this, it is required that the various armed forces, together with the entire people, always heighten vigilance and firmly grasp schemes of general sabotage of the enemies as well as their schemes to affect a change peacefully, and then resolutely check and defeat the sabotage and subversive schemes of the enemies. With the new reform direction as stipulated in the resolution adopted by the Fifth LPRP Congress, we are convinced that our nation will firmly advance and that our country's economy and society will be increasingly developed, thus creating favorable conditions for the various armed forces to build and develop themselves and to effectively carry out activities to fulfill their duties.

We (?see) that (?in following this path), it is certain that the various armed forces will still have to strive to overcome many difficulties and obstacles. Therefore, under all circumstances, we still have to enhance the spirit of self-reliance and self-building, positively consolidate and build the armed forces to be strong in all respects, pay attention to regularly educating and training the armed forces so as to enable them to firmly maintain the political line of thinking, organize to implement the policy of improving the living conditions of the armed forces, step up the implementation of army regulations and discipline, make a living in a principled manner, and maintain appropriate qualifications and good health in order to be prepared to overcome all difficulties and then successfully fulfill the heavy tasks as entrusted by the party and state to be worthy of serving as the sharp and trustworthy tool of our party and state.

I hope that various organizations, ministries, branches of service, and administrations at all levels will positively render ever more assistance in all fields to our army so that our army will be able to successfully fulfill all tasks.

Foreign Economic Minister Addresses Congress

BK0704092391 Vientiane Domestic Service in Lao 1200 GMT 6 Apr 91

[Statement by Phao Bounnaphon, member of the Lao People's Revolutionary Party Central Committee and minister of foreign economic relations, delivered at the Fifth Party Congress in Vientiane; date not given—recorded]

[Text] On economic relations and cooperation with foreign countries in the recent past, we can assess that our party's foreign policy of peace, independence, unification, friendship, and cooperation and the cause of restructuring as pursued by our party and state are correct, creative, timely, and in conformity with our country's social and economic realities. This is why we have successfully drawn ever wider support and sympathy and have increasingly enhanced our friendship with various nations in the world. At the same time, we have enjoyed assistance in the form of loans from foreign countries and have successfully invited a considerably large number of foreigners to invest in our country, thereby helping to achieve a firm step in the socioeconomic development of our country.

Nevertheless, when we compare the fruits that we have gained with the capital that we have received through assistance in the form of loans from foreign countries, we can see that our efficiency is still at a low level and only 70 percent of the capital has been used. (?Persuading) foreigners to invest is a brand new issue for us. Though we have achieved an initial success in inviting foreigners to invest in our country, the investments have failed to satisfactorily serve the implementation of our economic structure. Most of the projects which have been given permission to invest are small projects serving only small-size production, trading, and service businesses. There has not been a considerable number of medium- or large-scale projects which can serve our requirements in using raw materials in the country to produce goods for domestic consumption and export. This is because the acceptance of the assistance, the investments, and the management are still done in a scattered manner and not in a centralized and unified way. Besides, the utilization of the capital has not yet been freed from the old economic management mechanism based on the state-financing administrative system. Moreover, our cadres still maintain a low level of working attitudes, line of thinking, qualifications, and capabilities. In addition, we have failed to grasp all details about the natural resources of our country and about various rules and regulations.

This Fifth Party Congress has continued to consistently pursue the foreign policy of peace, independence, unification, and cooperation with foreign countries, regardless of the different political and social systems, on the basis of the principles of the respect for one another's independence and sovereignty, equality, and mutual benefits. Simultaneously, it has broadened foreign economic relations. These measures have served the aspirations of our multiethnic people as well as the requirements of the people in the region and the world.

I am of the view that one of the factors which can bring about the further development in the socioeconomic field of our country is to carry out our party's correct guidelines for the maintenance of relations and cooperation with foreign countries. For this reason, we must continue to positively implement the correct guidelines of the party on the maintenance of relations and cooperation in order to combine the national strength with the epochal strength and to continue to maintain good relations with various countries, international organizations, international financial institutes, and foreign investors. At the same time, we must effectively implement the socioeconomic management mechanism in conformity with the cause of restructuring so that we can achieve success in turning the natural and seminatural economies in our country into the marketing economy so as to build and develop our country and to improve the people's living conditions and bring tranquillity and stability to our nation.

MRDC Delegate Speaks at Party Congress 27 Mar

BK0504161991 Vientiane Domestic Service in Lao 0430 GMT 1 Apr 91

[Text] In his speech delivered at the Fifth Congress of the Lao People's Revolutionary Party on the afternoon of 27 March, Comrade Chengh Sai-gnavong, delegate from the Mountainous Region Development Company [MRDC], said: In early 1991, the MRDC invested 775 million kip to finance a project to limit slash-and-burn cultivation. Most of the investment funds have been used to build irrigation facilities, to clear land for farming, and to encourage people to plant grain and other industrial crops on fixed land in their respective localities. At the same time, the company has engaged in exporting timber and forest products to earn income for economic, cultural, and social development in the mountainous region.

Comrade Cheng Sai-gnavong stressed: We are of the view that the timber exploitation business is only an ad hoc measure to make some quick money for implementing necessary economic development projects. Even though the massive felling of trees is correctly carried out with sound planning mapped out in accordance with technical knowledge, reforestation cannot turn forests into fully wooded areas within a short period of time. As a result, adverse affects will be caused to the environment. Having realized this fact, the company is currently looking to earn income from other natural resources and goods as well as other potentials prevailing in the region under its management in order to completely halt tree felling. In the past two years, the company has relied on agriculture as its pivotal work for the project to halt slash-and-burn cultivation and to develop handicraft production in order to earn some income and gradually improve the living conditions of the people.

Radio on Security Maintenance During Congress

BK0604135591 Vientiane Domestic Service in Lao 0000 GMT 3 Apr 91

[Text] Since March, cadres and combatants of the Interior Ministry, the National Defense Ministry, the public security forces of Vientiane Municipality, defense units of various offices and organizations, and village administrations attached to Vientiane Municipality have carried out joint patrols to protect their offices and villages. The activities have been efficiently organized, as responsible tasks in the specific areas have been clearly divided for cadres and combatants of each sector or service according to plans. As a result, they have effectively checked the activities of bad elements, thus contributing significantly to a secure Fifth Congress of the Lao People's Revolutionary Party [LPRP], which carried out its work safely and peacefully.

Along with the security activities by the specialized forces for domestic and foreign guests attending the party congress, various ministries and institutes equivalent to the ministries, offices, organizations, military units, mass organizations, business units, factories and plants, schools, hospitals, and bases of multiethnic people throughout the country, in particular Vientiane residents, separately launched emulation campaigns to win achievements. This was also to contribute, in terms of energy, money, and other necessary materials, to movements such as those to carry out patrols, to promote production, to clean and decorate public places with various slogans, movements to check incoming and outgoing travelers or those traveling from one place to another, and movements to check house registrations at certain points as necessary.

As a result of the enthusiastic contributions from the masses on this occasion, tranquillity, order, and cleanliness have been achieved and maintained in the offices, organizations, and people's bases. These in turn have contributed to the joyous atmosphere welcoming the party congress on this occasion.

Lao-Thai Sides Sign Memo on Troop Withdrawals

BK0804063191 Vientiane Domestic Service in Lao 0430 GMT 6 Apr 91

[Text] Realizing the agreement reached on 12 March between General Sisavat Keobounphan, chief of the General Staff of the Lao People's Army, and General Suchinda Khraprayun, Army commander in chief of the Kingdom of Thailand, and implementating the agreement of the Joint Military Committees of Laos and Thailand reached in Thailand's Nong Khai Province on 26 March, which fixed 2, 3, and 4 April as the dates for inspecting the withdrawal of troops from the areas in which military clashes had previously taken place to their former positions, the Lao side led by Colonel Phommachak Sutthisan and the Thai side led by Major General Wirot Wachirawat jointly made aerial inspections of the said areas. On 2 and 3 April, they inspected the said areas in Laos, such as Phou Viang, Phou Kong Deun, Phou Sam Niam, Ban Botan, Ban Mai, Ban Nafai, and Phou Houat-Nong Pachit. On 4 April the two parties jointly inspected the areas in Thailand, such as Ban Na Charoen, Ban Bophak, Ban Rom Klao, Ban Huai Phai, and Bo Bia by either landing in or overflying those areas.

After the actual inspections were made, the two sides verified that no troops nor weapons were present in those areas except local militiamen and public security authorities of the two sides. On the afternoon of 4 April, the two sides jointly signed a memorandum on the completion of the inspections, which were mutually acceptable to the two sides, in the presence of the two committees and news reporters from both the Lao and Thai sides.

The memorandum spelled out the sincerity of the two sides to turn the border areas of the two countries into brotherly regions in which peoples from both sides can henceforth conduct mutual visits, by withdrawing their armed forces from the disputed areas to their former positions.

Kim Il-song Congratulates Kaysone on Appointment

BK0804064791 Vientiane Domestic Service in Lao 1200 GMT 5 Apr 91

[Text] Recently Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK], sent a congratulatory message to Comrade Kaysone Phomvihan on the occasion of his appointment as chairman of the Lao People's Revolutionary Party [LPRP] at the Fifth LPRP Congress convened between 27 and 29 March.

In his message, Comrade Kim Il-song congratulated Comrade Kaysone Phomvihan and wished him greater successes in fulfilling his highly responsible tasks. He also expressed confidence that the fine relations of friendship between the two parties would be further developed and strengthened in accordance with the ideals of independence, peace, and friendship.

Nouhak Phoumsavan Receives U.S. Senators

BK0804074291 Vientiane Domestic Service in Lao 0500 GMT 8 Apr 91

[Text] At 1500 on the afternoon of 7 April, Nouhak Phoumsavan, chairman of the Supreme People's Assembly, received U.S. Senators John McCain and Phil Gramm who paid a visit to the Lao People's Democratic Republic after visiting the SRV and the State of Cambodia.

In his conversation with the U.S. guests, Nouhak Phoumsavan hailed the visit to Laos by the delegation and expressed gladness that the relations and cooperation between the LPRP and the United States have been gradually improved with every passing day. He asked the U.S. side to resolve certain problems which may pose obstacles to the bilateral relations and cooperation between the two countries for mutual humanitarian interests. U.S. Charge d'Affairs to Laos Isom was also present at the courtesy call.

The U.S. Senate delegation arrived in Vientiane at noon and returned to Bangkok on the same evening.

Philippines

Aquino Names Abadia New Armed Forces Chief

HK0604050691 Quezon City Radyo ng Bayan in Tagalog 0200 GMT 6 Apr 91

[Text] Commanding General Lisandro Abadia will be the next chief of staff of the Armed Forces of the Philippines [AFP]. Abadia will replace General Rodolfo Biazon who is due to retire on 12 April.

The appointment of Abadia was announced by President Aquino this morning at Malacanang. Before the president announced the replacement of Armed Forces Chief General Biazon, she enumerated the criteria for selection.

[Begin Aquino recording in English] The chief of staff must embody the finest in Filipino soldiery. He must be a leader the soldier, the airman, and the sailor can identify with. He must be a strategist, a combat officer, and a manager [word indistinct] clear discipline of intelligence, operation, logistics, and finance. In other words, he must have the full range of understanding of the problems confronting the man in the foxhole to issues of national importance. Secondly, he must be a unifying factor for the AFP. He must exemplify in words and in deeds the [word indistinct] of the various segments of the AFP, the officer corps and the enlisted ranks, the regular and deployed officers, the PMAers [Philippine Military Academy] and the non-PMAers, and other various [word indistinct] that make the AFP progressive and dynamic. Thirdly, he must both have the sincerity and open-mindedness to interface with various sectoral groups within and outside the government. He must pick out solutions that affect the government and the AFP and consult with members of the cabinet, the members of Congress, and of civic and nongovernmental organizations. Fourthly, he must be uncompromising in his belief of the role in the soldier in a democratic government. He must consider himself on many occasions in the past his beliefs in the sanctity of the Constitution, the rule of law, the supremacy of civilian authority over the military, and the continuity of the chain of command from the commander in chief down the line. [sentence as heard] Finally, he must be nonpartisan and must have ensured the preservation of democratic processes. In the coming 1992 elections, the chief of staff must continue to perform with absolute neutrality and lead the AFP in helping ensure honest, free, and orderly elections. [end recording]

Abadia Grants Interview

HK0604054091 Quezon City Radyo ng Bayan in Tagalog 0100 GMT 6 Apr 91

[Interview with General Lisandro Abadia, newly appointed chief of staff of the Armed Forces of the Philippines, by field reporter Ed Satira and unidentified female reporter at Malacanang—live, in English]

[Excerpts] [Abadia] I have no other plans and everybody stays put in place. That has always been my policy. I can work with anybody. For example, when I took over as commanding general of the Army, I'd never change any officer or enlisted man in the headquarters. And so, I'll continue with that policy. I can work with anybody. In other words, since I was a young officer, I never had bata-bata [favorite] system.

[Satira] When did you graduate from the military?

[Abadia] March 26, 1962. I graduated from the Philippine Military Academy.

[Satira] When is your birthday?

[Abadia] May 29, 1938. Well, I'm not ashamed of my age.

[Satira] For how long will you be AFP [Armed Forces of the Philippines] chief?

[Abadia] It depends, because you know the chief of staff serves at the pleasure of the president. I can't really say how long.

[Reporter] Sir, how would you go about the insurgency problems in the country?

[Abadia] I'll push it some more.

[Reporter] Sir, what is your vision for the military establishment? How long do you like to lead the military establishment?

[Abadia] I want the armed forces to be really a very professional organization. My dream.... that we go back to where we were; the members of the armed forces would be respected by the people; and that truly the armed forces is the armed forces of the people. [passage ommitted]

[Satira] When are you going to retire from the military?

[Abadia] Compulsorily I'll be retiring May 29, 1994, that is beyond thirty years. So if I'll go on as chief of staff up to my mandatory retirement date as chief of staff, I'll be retiring 1994. Just about [word indistinct] before my birthday.

[Reporter] Do you personally believe that there won't be any coup attempt in the next ...

[Abadia] No, no. I have that gut feeling that nothing is going to happen.

[Satira] When are you going to formally assume the position?

[Abadia] On the 12th of April. You are all invited.

[Reporter] Sir, do you have plans to reduce the size of the military bureaucracy?

[Abadia] Yes. For example, if the, if we can, if we shall have defeated the [word indistinct] of the CPP-NPA-NDF [Communist Party of the Philippines-New People's Army-National Democratic Front], then I would want to recommend that reduction in the size of the armed forces.

[Reporter] To what size?

[Abadia] I don't know. It would depend on the needs of the country.

[Reporter] Do you think we have a bloated military?

[Abadia] I don't see that we have a bloated armed forces. As a matter of fact, other countries around us, even the United States, are surprised with the size of our armed forces. We are doing very well against the enemies of the state.

[Reporter] Do you believe that the military should be given a greater role in handling the affairs of the state?

[Abadia] Not greater roles, it's precise roles in a democratic system.

[Reporter] Sir, have you talked already with Major Florendo?

[Abadia] Yes, a while ago, and he congratulated me and he was very happy for me. The Armed Forces is very close to me. We served together in Mindanao. We were together in the same battalion. So we had many things to remember.

[Reporter] About Secretary Ramos?

[Abadia] Secretary Ramos, ah, no not yet [word indistinct]. But before I leave he was a very important factor in the life of the armed forces and I also secured support.

[Satira] Now that you are the chief of staff of the Armed Forces of the Philippines, would you like to pursue some plans you were not able to pursue during the times you were not yet the chief of staff of the Armed Forces of the Philippines?

[Abadia] Although I was not the chief of staff, I was a member of the state's staff. I had also contributed something to the direction of the armed forces. I recommended the chief of staff. For example this campaign plan Net Trap, I recommended the adoption of that to the chief of staff, although, of course after a series of consultations with the field commanders. Also the CAFGU [Citizen's Armed Forces Geographical Units] program. I have conceptualized the CAFGU program. I used a very important component of our counterinsurgency program. So in setting the direction, I had a little contribution, so to speak, in that. [passage ommitted] I'd like to repeat again my views. The Armed Forces is hostaged to our military justice system and the ethics of war. We cannot do anything beyond that. So it beholds now on the executive and the legislative to decide whether there's going to be conditional or absolute amnesty to the enemies of the state whether they are from the left or from the right.

[Reporter] Do you think you can get Honasan before President Aquino's term expires?

[Abadia] I cannot say that. I'll try to convince him to come forth.

[Reporter] What are your plans for the military detainees who have been involved in the coup attempts?

[Abadia] Well, they just have to go through the whole system. I appeal to them to come out and join hands with me and think less of themselves and work more for the country.

[Satira] Sir, will you now pursue the shift in the military towards some internal security or external security?

[Abadia] That has to be a very calibrated move. We haven't defeated really, strategically, the CPP-NPA-NDF. So it's going to be a very calculated thing, you know. It would depend, it would hinge on whether we are still saddled with this insurgency problem. We have to continue the modernization program of the armed forces. [passage omitted].

Aguirre Resigns Irrevocably

HK0804105891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Apr 91

[Text] Major General Alexander Aguirre, armed forces deputy chief of staff, resigned today to protest the appointment of the new Armed Forces of the Philippines [AFP] chief of staff. In his absolute and irrevocable letter of resignation presented to President Aquino, Aguirre stated that he abides by the president's decision on her choice of the new chief of staff, but he added that his being bypassed by a junior officer meant that he was being punished without reason. He also said that, as he had already been bypassed for promotion four times, he would no longer suffer in silence and would give up his four remaining years of military service. Aguirre said that the biggest regret in his life was that his efforts to perform his duties caused the abrupt end of his career.

Aguirre announced his resignation two days after the president appointed Army chief Major General Lisandro Abadia to succeed General Rodolfo Biazon as chief of staff. Biazon is to retire 12 April. Aguirre said he has submitted a detailed record of his military service to President Aquino, notably during the period when the administration was under siege. General Aguirre was the only general to have been wounded while fighting military rebels during the December 1989 coup attempt.

Meanwhile, Aguirre said that he will return to military service after the 1992 presidential elections. He also called the new chief of staff's appointment a politically manipulated decision. Here are some details from DZRH Mobile 12 reporter Eloi Aquino:

[Begin recording] [Aquino] Armed Forces Deputy Chief of Staff Maj Gen Alexander Aguirre resigned today from his post and will take a 500-day leave from military service. In a news conference, Gen Aguirre said that the new chief of staff's appointment was a politically manipulated decision. According to him, political partisan interference influenced President Aquino's decision to appoint Army chief Maj Gen Lisandro Abadia as AFP Chief of Staff Gen Rodolfo Biazon's successor when the latter retires 12 April.

AFP Chief of Staff Maj Gen Guillermo Flores [as heard] and Aguirre were bypassed by Abadia, who ranked sixth in the linear order of seniority. Aguirre said the tradition of seniority is not the only determining factor in the choice of chief of staff but that it should also consider qualification and competence. He added that he was not, and will never be, convinced of the wisdom of the president's appointment. He also said that he could prove that General Flores has all the qualifications, including seniority, to take over the chief of staff post.

In a three-page letter to the president, Aguirre also stressed that as a professional soldier, he will abide by the president's decision. According to him, he accepted the first three bypasses in the spirit of sacrifice but with this fourth incident, he could no longer remain silent.

Aguirre refused to identify the political advisers who allegedly influenced the president, but said that he would reveal the names at an appropriate time. The revelation will be made when the right time comes. Aguirre said that as of 31 Decmeber 1990, Abadia was 42d in the order of seniority but suddenly shot up to number seven when he was named Army chief and promoted from brigadier general to major general. Aguirre added that he would only return to military service after the 1992 presidential elections.

[Aguirre passage indistinct]

[Aquino] This is Eloi Aquino reporting from Camp Aguinaldo. [end recording]

Appointment Creates 'Deep Resentment'

HK0804074991 Manila PHILIPPINES NEWSDAY in English 8 Apr 91 pp 1, 2

[By Erick San Juan]

[Text] President Aquino's surprise selection of Army chief Maj Gen Lisandro Abadia as the next Armed Forces chief of staff has shaken the morale of the AFP [Armed Forces of the Philippines] and created deep resentment among its senior officers.

This could trigger a mass resignation among officers bypassed by the appointment or plainly demoralized by it, senior Army sources said yesterday.

A group of high-ranking military officers representing PMA [Philippine Military Academy] class '59, '60, '61 are scheduled to meet this morning at the Camp Aguinaldo Commissioned Officers Clubhouse (COC) to present a common stand against the Abadia selection. The group will also take a stand against the selection of Brig Gen Arturo Enrile, PMA superintendent, as the new Army chief.

Both Abadia and Enrile are highly competent officers but junior to many other officers who were bypassed in their selection. Abadia, 53, is a 1962 graduate of the Philippine Military Academy, and junior to Maj Gen Guillermo Flores, vice chief of staff, who belongs to PMA class '59; Maj Gen Alexander Aguirre, deputy chief of staff, PMA class '61; Rear Admiral Mariano Dumancas Jr, Navy chief, PMA class '60; and Maj Gen Gumersindo Yap, Southcom chief, PMA class '60.

Enrile, who also belongs to PMA class '62, is also junior to Brig Gen Ernesto Calupig, head of 7th Infantry Division, PA [Philippine Army], PMA class '61; Brig Gen Federico Ruiz, chief of Southern Luzon Command, PMA '60; and Maj Gen Gumersindo Yap.

Sources said Aguirre will act as spokesman of the group and will read a very strong statement against the Abadia and Enrile selections. "There could be some very interesting revelations and courses of action," the sources said. The same sources said senior military officers felt Mrs Aquino broke a previous compromise agreement between her and Biazon and Flores prior to Biazon's installation as chief of staff last December. The sources said Mrs Aquino had promised to name Flores after Biazon.

While the officers concede it is the prerogative of the President and Commander-in-Chief to name a qualified officer as chief of staff, they question appointments that wreak total havoc on the seniority rule. In their view, Abadia's selection falls under that classification. At the same time, they questioned the timing of the announcement as a "stab in the back" against Defense Secretary Fidel Ramos, who was out of the country when the announcement was made.

Military observers recalled that the military revolt that led to the downfall of the late President Marcos in 1986 was preceded by deep divisions within the military arising from the routine bypassing of senior military officers by favorites of the appointing power.

Since Mrs Aquino came to power, there have been seven mutinies and coup attempts staged by a divided military against her. Ramos and Biazon, among others, have said they no longer foresee any coup attempts, largely because of the country's preoccupation with the 1992 elections. But with this new blow on the AFP morale and the deep resentment created by the President's latest action, a new military mutiny or coup attempt coming from the ranks of Mrs Aquino's defenders cannot be completely discounted between now and the 1992 elections.

Appointment Highlights Changes

HK0804044691 Manila THE MANILA CHRONICLE in English 8 Apr 91 pp 1, 10

[By Manny Mogato]

[Text] Major General Lisandro Abadia's appointment as chief of staff has served to highlight the changes taking place in the armed forces under the Aquino administration.

Where tradition once vested the highest position in the military to the most senior and loyal officer, merit and professionalism have become primary considerations. "We are catching up with the kind of (military) leadership other ASEAN (Association of Southeast Asian Nations) nations have in their armed forces," an army general said. The general, requesting anonymity, said countries who have younger military leaders have shown "more positive growth in terms of (military) doctrines and policies."

Abadia, 54, has been known in military circles for his unorthodox brand of leadership, intense loyalty to the incumbent government and professionalism. Abadia, who will head the 130,000-strong armed forces, was the chief architect of Camp Aguinaldo's defense plan during the foiled December 1989 coup attempt. He was also the brains behind the military's numerous counterinsurgency programs and doctrines consolidated into the Lambat Bitag [Net Trap].

Abadia, member of Philippine Military Class '62, bested his rival for the post, Maj. Gen. Guillerno Flores, vice chief of staff, who said he would respect President Aquino's decision "as a professional soldier and would continue serving in the armed forces." Flores, who was actually bypassed for the second time, had expected to succeed outgoing chief of staff Gen. Rodolfo Biazon by virtue of position. He was earlier touted to replace then chief of staff Gen. Renato de Villa, who vacated the post last year, but it was Biazon whom Mrs Aquino had appointed instead.

Military analysts said Flores' reputation as a "passive" leader, as shown by his handling of last year's Mindanao uprising, led by renegade officer Alexander Noble, could have stalled his appointment as chief of staff. "He is too unassuming, he lacks the bearing which brought Biazon and Abadia to the top position," one retired general said. Other candidates were Maj. Gen. Alexander Aguirre, Navy Rear Admiral Mariano Dumancas and Brig. Gen. Arturo Enrile.

Manwhile, Defense Secretary Fidel Ramos asked all military personnel to "cooperate and support" the decision of the President, anticipating dissent from senior officers, especially those belonging to PMA [Philippine Military Academy] Clases '59 to '61. "I call on everybody concerned to cooperate and support this decision of the President for the good of our country, the armed forces and our people," Ramos told a briefing at Villamor Air Base after his return from a five-day visit to Tokyo.

The appointment of Abadia, who because army chief only three months ago, "is the prerogative of the President to pick the one she has the utmost confidence (in)," Ramos said. He downplayed dissenting sentiments expressed by some senior officers who felt that they were bypassed by Abadia's appointment. Many of them, especially those who belong to PMA Classes '59 to '61, felt that Ababia is too young to be made chief of staff.

Abadia's classmates, who now form a potent power block in the armed forces, sent a note supporting all programs and projects of the new chief of staff. "We will be committed to support you in all your programs and projects for the interest of our country and people," the note, signed by more than 10 generals in the armed forces and the Philippine National Police [PNP], said.

Among his classmates are Brig. Gen. Cerardo Flores, the PNP chief of directorial staff; Brig. Gen. Carlos Tanega, the head of the military's Intelligence Service; Brig. Gen. Alfredo Filler, the head of the armed forces Intelligence Division; and four army division and PNP regional commanders.

Rumors were swirling in the armed forces, particularly about resignations and early retirements by some senior officers and new destabilization attempts by military rebel groups following Abadia's appointment. But they were immediately doused by senior commanders, led by Flores, who expressed loyalty to the chain of command. "This is not the first time that a chief of staff has been chosen by the commander-in-chief...who may be junior to some others who occupy the highest position in the organization," Ramos said.

Editorial on 'Surprise' Appointment

HK0804073391 Quezon City MALAYA in English 8 Apr 91 p 6

[Editorial: "AFP Chief of Staff"]

[Text] President Aquino has sprung quite a surprise, to put it mildly, in picking Maj. Gen. Lisandro Abadia to be the next AFP [Armed Forces of the Philippines] chief of staff. She jumped over five more senior officers in choosing him, resorting to what is known in the jargon as "deep selection." To replace Abadia as chief of the army she also ignored the seniority roster and nominated Brig. Gen. Arturo Enrile.

So the question everyone is going to be asking today is: What the hell is going on? Mrs. Aquino's admirers will lose no time in citing these appointments as an example of her political courage and creativeness. And it must be admitted that it takes a lot of guts to defy in such a hide-bound establishment as the military (the military is hide-bound everywhere in the world) a tradition—seniority—that has been elevated to the status of religion. But she is the commander-in-chief.

What is particularly remarkable is that she has done this in the face of, according to conventional wisdom, fractiousness and restiveness in the armed forces. In fact, one of the hopefuls for chief of staff, Gen. Alexander Aguirre, the deputy chief, had only recently warned her, publicly and gracelessly, against trampling on the sacred icon seniority. He was the second most senior prospect.

But she has just demonstrated quite emphatically what she thought of Aguirre's gratuitous and unsolicited advice, and all he could muster to say when Abadia was named was, "It will be good news but it will stun a lot of people." He has called a press conference for today, however, and the country waits with bated breath for what he will have to say. Will he give us an earful, or will he announce his grudging acceptance of the facts of life and, perhaps, his early retirement and retreat to his farm, there to sulk and plant potatoes?

On the other hand, Mrs. Aquino's non-admirers and the usual cynics and skeptics will flood the coffee-shops with 500 theories on the reasons she picked Abadia. What was the quid for the quo? What iron-clad assurance, if any, did she exact from him? She made a special point of explaining that,"in the coming 1992 elections, the chief of staff must continue to perform with absolute neutrality and lead the AFP in helping ensure honest, free and orderly elections." Does this mean the bypassed generals could not give her this assurance?

Not a few will wonder if there is any connection between her unusual choice of General Abadia to be chief of staff and her equally unusual choice of Christian Monsod to be chairman of the Commission on Elections. In the first case she has overturned decades of tradition, and in the second she has spat upon a large body of public opinion that holds Monsod is as likely to be neutral and impartial in the next elections as Jaime Cardinal Sin's praising the virtues of condoms. Much of the speculation will undoubtedly be grossly unfair to Mrs. Aquino and her anointed general, but then cynics and skeptics—"mga dakilang miron," [distinguished onlookers] to borrow from a not too distant era—have never been renowned for being fair and objective.

What is indisputable is that Abadia's nomination is going to be grist for the tsismis [gossip] mill for many days to come. In further picking Gen. Enrile to be army chief, she has dealt a double whammy to the hallowed ("hollow," dissenters contend) military tradition of seniority. It is said since Gen. Jesus Vargas' time—and that's going back a good 40 years—this tradition has been scrupulously observed in the appointment of the chief of staff.

Is Mrs. Aquino mad in smashing it? Or is there method in her madness?

'Not Even an Imelda' Can Make Aquino Run Again

BK0704103091 Hong Kong AFP in English 1010 GMT 7 Apr 91

[Text] Manila, April 7 (AFP)—Philippine President Corazon Aquino said Sunday that she would not run for re-election even if former first lady Imelda Marcos runs for president in the 1992 elections.

"Not even an Imelda can make me decide to run again," Mrs. Aquino said. However, she reiterated that she would allow Mrs. Marcos to return to the country from exile in the United States if that would help the Philippines recover some 350 million dollars that Mrs. Marcos stashed away in Swiss banks.

Speaking in an interview televised over the privately run ABS-CBN channel, Mrs. Aquino said that if Mrs. Marcos wanted to run in the next elections, "that is her right so long as she conforms to the law." But she said speculation that she would run for re-election against Imelda Marcos was "a very wrong premise," adding that she ran for president against then-strongman Ferdinand Marcos in 1986 due to special circumstances.

Mrs. Aquino, widow of opposition leader Benigno Aquino who was murdered by Mr. Marcos's soldiers in 1983, said she ran in the 1986 polls "for the purpose of removing the dictatorship and restoring democracy." Widespread fraud in the 1986 polls sparked a popular revolt that sent the Marcoses fleeing overseas and installed Mrs. Aquino as president.

The Aquino government has refused to allow the Marcoses to return, citing national security concerns. Mr. Marcos died in exile in September 1989 and Manila has not allowed his body to be returned here. Mrs. Marcos has been seeking to be allowed to return home and opposition leaders and the press have speculated that she would run in the 1992 elections.

Mrs. Aquino also said Mrs. Marcos could return to the country to face criminal charges if Manila is forced to file such charges before December in order to recover the Marcos wealth. She was referring to a Swiss High Court decision that Manila must file criminal charges against Mrs. Marcos by December if the country is to claim the wealth the Marcos couple allegedly stole during their 20-year reign.

Mrs. Aquino said she was seeking a clarification of the Swiss order but that "once it is absolutely ascertained that we do have to file those criminal charges ... Then (the filing) will happen before that time."

"Certainly, under our laws, anybody has the right to be present when a criminal case has been filed against such a person," she added.

The government has filed 34 civil suits claiming billions in damages from the Marcos couple but has refrained from filing criminal suits because this would mean allowing them to return. Mrs. Aquino said the issue of returning Mr. Marcos's body to the country for burial, "is a different matter altogether."

Asked whom she would endorse as president in the 1992 elections, Mrs. Aquino said she would announce her choice in January after most of the party conventions are over. Among the members of the ruling coalition who are believed to be planning to run for president are Senate President Jovito Salonga, House Speaker Ramon Mitra, Defense Secretary Fidel Ramos and Mrs. Aquino's chief aide Oscar Orbos. Of these four, only Mr. Orbos has not announced presidential ambitions. Most observers believe Mr. Ramos or Mr. Orbos is most likely to get Mrs. Aquino's endorsement.

Aquino: Consultations on Bases Will Sway Senate

BK0704112091 Hong Kong AFP in English 1101 GMT 7 Apr 91

[Text] Manila, April 7 (AFP)—President Corazon Aquino said Sunday that public consultation on the fate of U.S. military bases in the Philippines would influence the decision of the country's Senate to ratify a treaty extending the stay of the bases.

Mrs. Aquino has said there would be popular consultation on whether the Senate should ratify any treaty renewing the lease for the bases after it expires in September. However, the form of consultation is still not clear.

During a television interview, Mrs. Aquino was asked whether a positive public response for extending the bases' stay would sway the 23-member Senate which is largely hostile to the U.S. Bases. She said "normally, the officials of government really have to listen to the people. After all we are serving the people and we should be consulting with them."

Any treaty extending the stay of the bases must be ratified by two-thirds of the Senate but the majority of the senators have already said they are against extending the lease. "Certainly, we are of course, hoping that the Senate will ratify whatever treaty will be signed with the United States," Mrs. Aquino said.

Surveys have shown that the majority of Filipinos favour the retention of U.S. military bases in this country despite anti-U.S. sentiment among leftist and nationalist groups, including communist guerrillas. Senators have charged that the proposed popular consultation is a bid to pressure them into ratifying the treaty.

Manila and Washington are negotiating the fate of the U.S. bases but remain at odds over the terms for compensation. Manila is seeking 825 million dollars in annual rent for a seven year lease but Washington is offering only 520 million dollars for an extension of between 10 and 12 years.

Aquino Believes Senate To Ratify New Bases Pact

HK0804075391 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 8 Apr 91

[Text] President Aquino strongly believes the Senate will ratify a new bases treaty. She said the Filipino people should be consulted first about the draft treaty, through a referendum, before submitting it to the Senate for ratification. Mrs Aquino supports the compromise formula of Finance Secretary Jesus Estanislao regarding the compensation package.

Meanwhile, a member of the Philippine panel said he is strongly against the Estanislao formula because it is just a rehash of all the foreign aid and trade concessions of the Philippines, as well as the low-interest loans from the World Bank. It will be recalled that last week Foreign Affairs Secretary Raul Manglapus said his group is against Estanislao's formula. Manglapus will go ahead with his own formula of $825-million compensation.

'Final Position' on Bases Submitted to U.S.

HK0604080291 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 6 Apr 91

[Text] Foreign Affairs Secretary Raul Manglapus, head of the Philippine bases panel, rejected the proposal of Finance Secretary Jesus Estanislao to merge the loans from the World Bank and the compensation for the retention of the U.S. military bases in the country.

Manglapus met yesterday with Secretary Estanislao and House Foreign Relations Committee Chairman Jose de Venicia in compliance with the orders of President Aquino to finalize the government position regarding the compensation issue. The Manglapus group ignored the proposal of Estanislao for the country to ask for lower-interest loans from multilateral agencies as part of the non-cash portion of the bases compensation package. In a meeting yesterday it was agreed that Manglapus' formula would be used; this formula would ask for $825 million as annual compensation. Congressman De Venicia emphasized that Secretary Manglapus has exhausted all his efforts toward the said formula and it should no longer be altered, but instead, the secretary of foreign affairs should be given due credit. Earlier, some senators opposed Estanislao's proposal, which they see as an act of deceit for blending bases-related money which has no connection with the U.S. bases.

In a related development, the final position of the Philippines regarding the retention of the U.S. military bases in the country has already been submitted to Washington. It was an agreement finalized by Foreign Secretary Manglapus and Finance Secretary Jesus Estanislao. Stated in the agreement was the $400 million cash payment for the use of the military bases and $700 million to $1 billion worth of soft component package proposed by Secretary Estanislao. Included also in the agreement was the proposal submitted by Congressman Jose De Venicia. According to Estanislao, through this step, the dollar reserves of the country will be stable. The proposed $30 billion compensation for the military bases recommended by De Venicia will be reviewed in his next meeting with Manglapus and Estanislao.

Meanwhile, Vice President Salvador Laurel supported the seven-year phaseout of the U.S. military bases in the country wherein their stay would expire in 1998. According to Laurel, the seven-year allowance given by the government is already sufficient for the smooth turnover of facilities to the government by the Americans, including the military's accumulation of arms and equipment necessary for the full independence of the Philippines. Laurel also criticized the government for its different and inconsistent pronouncements regarding the bases.

Envoy to U.S. on Suspension of Bases Talks

HK0704004291 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 6 Apr 91

[Text] The suspension of the next stage of the Republic of the Philippines-U.S. bases talks slated for next week does not mean a deadlock in the many issues pertaining to the U.S. bases.

This was disclosed by Philippine Ambassador to the United States Emmanuel Pelaez. Pelaez believes that the two panels can resolve the many issues pertaining to the bases before this month ends.

Column on Bases Stalemate, Interest in New Accord

HK0804050891 Manila PHILIPPINES NEWSDAY in English 8 Apr 91 p 10

["Turn of Events" column by Francisco S. Tatad: "Skinning the Cat"]

[Text] After five rounds of talks on a new bases agreement, negotiations are stalled on the issue of compensation and of length of stay of the U.S. facilities in the Philippines. The home panel headed by Foreign Secretary Raul Manglapus wants a fixed compensation of $825 million for every single one of the seven years it is willing to continue hosting the facilities; the U.S. panel headed by Special Negotiator Richard Armitage wants a much smaller compensation package and a length of stay longer than seven years. But both sides are interested in a new accord, so the stalemate cannot last forever. The haggling must end and they must come to terms soon.

For the home panel, there is a September 16, 1991 deadline to be met. The Philippine official view is that the 1947 bases agreement expires "in 1991," and that *after the expiration of the agreement, foreign military bases, troops or facilities shall not be allowed in the Philippines except under a treaty duly concurred in by the Senate and, when Congress so requires, ratified by a majority of the votes cast by the people in a national referendum held for that purpose and recognized as a treaty by the other contracting State.*

In the view of the administration's own legal experts, this means that if a new treaty is not finished and ratified by then, the government is obliged to throw out the U.S. facilities, and they must physically cease to exist by September 17, 1991. And if this does not happen, President Aquino becomes impeachable for failing to comply with a specific mandate of the Constitution.

The real problem, however, is that the September 16, 1991 deadline is a unilateral and erroneous interpretation by the Philippine Constitution of the 1947 bases agreement; it has no legal basis in the agreement itself. The precise language of the Ramos-Rusk agreement says that the original agreement *shall remain in force for a period of 25 years from September 16, 1966 after which, unless extended for a longer period by mutual agreement, it shall become subject to termination upon one year's notice by either government.*

The constitutional provision that says the agreement expires in 1991 is therefore a careless and incorrect interpretation. And although the Philippine government is compelled to follow it, it has no binding effect on the U.S. government, unless it decides to overlook the error in that interpretation. Now for the first time since the negotiations started, the U.S. has indicated it might insist on a faithful interpretation of the Ramos-Rusk agreement, instead of simply bowing to the erroneous constitutional rendering of the Ramos-Rusk agreement.

This is the moment of truth. We can foresee the U.S. accepting the Philippine interpretation only if and when the Aquino administration agrees to a phase-out term of longer than seven years and guarantees that the new treaty will be concurred in by the Senate where 14 of its 23 members have vowed to send it back where it came from. Short of that, we see Armitage playing hardball. And with only six months left to put the finishing touches on the draft treaty and get it past the Senate, there is little reason to be optimistic that a new treaty would be finished and ratfied by September 16, 1991.

As of now, the U.S. may have no real practical option except to insist on a faithful interpretation of the Ramos-Rusk agreement, so that U.S. facilities and forces may be able to stay legally beyond September 16, 1991 without need of a new treaty. The U.S. could read the pertinent constitutional provision as an irrevocable renunciation of the 1947 agreement, but it can only take effect on September 17, 1992, according to the Ramos-Rusk agreement. That would give the U.S. a breathing space of at lest another year from September 16, 1991. And since Mrs. Aquino and the present Senate end their term on June 30, 1992, the U.S. could decide to freeze the draft treaty at its last stages, and put its finishing touches only after a more competent Executive and a more sympathetic Senate come in for office.

Given the way the negotiations have been allowed to drag on, one gets the impression that the U.S. may have decided to do just that. This is not such an impractical recourse, but it does not quick skin the cast. [sentence as published] Assuming the next Senate is more supportive of a new treaty than the present one, we are still left with the constitutional requirement that a new treaty should also be ratified by the U.S. Senate. To our best knowledge, the U.S. has not ratified any treaty with any of its basing allies, and may not be prepared to create a precedent or make an exception in our case.

Ramos Returns From Japan, Assures Support

HK0804051891 Manila PHILIPPINES NEWSDAY in English 8 Apr 91 pp 1, 2

[By Efren Dayauon]

[Text] Japan will continue to support the Philippines economically and politically despite growing concern about the country's stability due to the anticipated reduction of the American military presence here.

This was announced yesterday by Defense Secretary Fidel Ramos, who arrived from a five-day visit to Japan during which he discussed with the business and political leaders of that country the current security situation in the Philippines.

Ramos said he expected more Japanese investments coming in following the improvement of the peace and order situation in the country. "We are in a much more favorable situation now, politically, economically, and security-wise compared to the situation in December 1989 up to January 1991," Ramos said as he related how he tackled the general environment in the Philippines especially for investment and economic development.

Japan is a major contributor to the Philippine Assistance Program (PAP) as it pledged some $1.6 billion during the second pledging session last February 25 this year, accounting for about 38 percent of the $3.3-billion package pledged for the PAP.

Ramos said that he informed members of the Japanese officialdom and top businessmen that the country's economic recovery program was very much in place. "Stability has greatly improved with the irreversible decline of the Communist Party of the Philippines/New People's Army (CPP/NPA) and the rightist movement led by the rebel soldiers," Ramos told his Japanese hosts, adding that many members of the military rebel movement have been arrested over the past few weeks.

Among the Japanese officials he met with were Prime Minister Toshiki Kaifu who is scheduled to visit the Philippines early next month, Defense Minister Yukihiko Ikeda, former Primer Ministers Noboru Takeshita and Yasuhiro Nakasone as well as Congressmen Shin Kanemaru and Keichi Miyazawa, who are leaders of the largest factions of the ruling Liberal Democratic Party (LDP) of Japan.

Ramos said that he had productive dialogs with such influential groups as the "SEIKAKEN" (Institute of Policy Science), Federation of Economic Organizations of Japan (KEIDANREN), and the Employers' Confederation of Japan (TAIZANKAI). Among the issues he presented to and discussed with these groups were RP

[Republic of the Philippines]-Japan defense cooperation, Asia-Pacific regional stability and security, the Philippine economic recovery program, the Philippine counter-insurgency program and peace and order situation, and Japan's vital role in official development assistance and private investments in the Philippines.

In his talks with his Japanese counterparts, Ramos said that they had more or less agreed to a transfer of military industrial technology from Japan to the country, which will be compatible with the Philippines' defense needs. In addition, Ramos said that the Japanese government offered to accept Filipino cadets to be trained at the National Defense Academy, the counterpart of the Philippine Military Academy.

With regards to the appointment of Major General Lisandro Abadia as the new chief of staff of the Armed Forces of the Philippines vice General Rodolfo Biazon who will retire this month, Ramos issued a call to all concerned (obviously referring to the military bureaucracy as well as the rank-and-file) to "cooperate, support, and respect the President's choice for the good of the country, for the good of the Armed Forces, and for the good of the people."

Thailand

Narudon Announces Military Exercise With U.S.

BK0504155291 Bangkok Army Television Channel 5 in Thai 1230 GMT 5 Apr 91

[Text] Lieutenant General Narudon Detpradiyut, director of the Supreme Command Information Office, today held a press conference to announce the 10th U.S.-Thai military exercise, "Cobra Gold 91," on 6-27 May. The purpose of the joint exercise is to improve efficiency and combat readiness of the Thai and U.S. forces, and to exchange knowhow in fighting strategy and new technology in waging war.

This year the venue of the exercise will be in the 4th Army Region—in Surat Thani and Nakhon Si Thammarat Provinces. The plan calls for an enemy landing to take Surat Thani and Nakhon Si Thammarat, and resistance by Thai forces which request support from U.S. forces. Joint Thai-U.S. task forces will be set up for counteroffensives and to destroy invading enemy troops. About 9,000 troops will be involved in the exercise. They will be mainly troops from Thailand because U.S. forces are still busy with their mission in the Persian Gulf war.

The joint exercise will allow the Thai Armed Forces an opportunity to test its combat readiness in defense of national independence.

Column Criticizes Letter to Bush on Intervention

BK0704112391 Bangkok BAN MUANG in Thai 7 Apr 91 p 2

["Stop the World" column by Freeman: "The United States Is Always Ready To Intervene in Its Interests"]

[Excerpts] The United States is a superpower with worldwide influence. Its power has even been enhanced with the recent victory in the Persian Gulf war. President Gorbachev, who ordered troops and police on alert to quell tens of thousands of Moscow demonstrators, had to withdraw those forces after he got a warning from President George Bush. [passage omitted]

A number of Thai people reportedly wrote a letter to the U.S. president asking for his intervention over certain political issues, including the removal of martial law. The letter might get publicized in the United States or be circulated in the U.S. Congress. And as a result, President George Bush might do something to pressure the Thai government to lift martial law. There could be a demonstration to protest the government. And if authorities took drastic action and opted for a violent and bloody suppression, the U.S. Government might intervene directly.

The CIA provided funds and weapons for rebels under clandestine operations in some countries, for example the Mujahidin in Afghanistan, the Contra rebels in Nicaragua, and the Hmong army of General Vang Pao in Laos during the Indochina war. The United States has its intelligence network in all countries which feeds information to the United States' intelligence agency whose security adviser has to give a daily briefing to the U.S. president.

The United States maintains a vast interest in Thailand, and Thailand is of a strategic importance for it in this part of the world. The United States therefore wants Thailand's leadership to be one of its allies. Those appealing for U.S. intervention in Thailand's political affairs are only making it easier for the United States to exert pressure on Thailand. It is possible that U.S. congressmen might call upon their president to apply economic sanctions against Thailand. This will directly affect Thai exports, be it farm products, textiles, or other items, to the United States.

There is a war in Cambodia now because the Cambodians invited foreign powers to intervene in the internal affairs of their country, with Vietnam supporting the Hun Sen regime in Phnom Penh while China supports the Khmer Rouge.

Thailand might face a similar downfall if some people try to drag foreign powers into meddling in Thailand's internal affairs. If things went as far as any party in our country receiving foreign support, both money and weapons, in order to stage a political takeover, the country would certainly plunge into a state of civil war.

Thailand lost independence twice, in the past, to Burma because some groups of Thai people sided with the enemy. History has taught us a lesson, and most Thai people now know that we must try to preserve our national independence and sovereignty. They also know how we should try to preserve them.

Finance Ministry Approves Aid Package to Laos

BK0804014991 Bangkok THE NATION in English 8 Apr 91 p A2

[Text] The Finance Ministry last week approved a Bt [baht] 100 million assistance package to help Laos develop its human resources and improve its backward economy, informed government sources told THE NATION yesterday.

The Bt100 million aid to Laos is part of Bt200 million in foreign assistance requested by the Foreign Ministry to help underdeveloped countries in the region. It is the first time that the ministry has requested a huge sum for a fund to be used to promote bilateral ties with less developed countries. Thailand's neighbouring countries will recieve top priority for the assistance.

The sources said the Finance Ministry agreed last week to the proposed budget for the external assistance programme by the Foreign Ministry which would be used in Vietnam, Bangladesh, Bhutan, Nepal and Sikkim as well as a few countries in Africa.

Cambodia, the sources said, would not be eligible because Thailand does not recognize the Vietnamese-intalled Phnom Penh Government. But the Foreign Ministry has said that it would provide humanitarian aid to the Supreme National Council, the body that enshrines the sovereignty of Cambodia, once the Cambodian factions work together.

The external development fund was described by the sources as Thailand's desire to play a greater responsibility in aiding poorer countries. The budget this year has jumped dramatically from Bt13 million last year to Bt200 million this year. However, almost half of the requested allocation, said the sources, would be provided to Laos as the country is Thailand's close neighbour and is ready to receive the assistance.

A Foreign Ministry source said the aid given to Laos would be used to promote cooperation between the two neighbouring countries on business, investment, trade and tourism. The assistance would support Laos' human resource development programme through training and scholarships for Laotian students and the promotion of cultural exchanges.

The Department of Technical and Economic Cooperation is now processing the final details of the assistance package before submitting it to PM's [Prime Minister's] Office Minister M.R. Kasemsamoson Kasemsi for deliberation. Kasem, who is entrusted with coordinating implementation of foreign policy in the Cabinet's screening committee on security and foreign affairs, will take a final look at the aid programme. A source at Government House said it would take some time for the screening committee to reconsider the plan and put it to the Cabinet for final approval.

2d Division Training To Defend Eastern Seaboard

BK0704020391 Bangkok BANGKOK POST in English 7 Apr 91 p 2

[By Burasak Tumcharoen in Prachin Buri]

[Text] Development of the Eastern Seaboard industrial belt has increased the need for a strong, highly mobile defence system along Thailand's border with Cambodia.

The Second Infantry Division, better known as the Burapha Force, is being transformed into a highly-efficient, mechanised unit to enhance its ability to defend the country's eastern border and protect the strategic route from Aranyaprathet to Bangkok. Alongside the eastern districts of Ta Phraya, Aranyaprathet and Khlong Hat lies a stretch of mountains and plains that border war-torn Cambodia.

Just a few hundred kilometres away lies the Eastern Seaboard, where a variety of much-heralded infrastructure and industrial projects worth billions of baht are taking shape. The geography of these border distritcs calls for rapid deployment of ground forces to deter and drive back any foreign troops in case of invasion. No matter what may become politically of the Indochinese neighbour countries, private investors in the Eastern Seaboard area need to be assured of lasting security on the eastern border.

The Second Infantry Division, better known as Burapha (eastern) force under the command of Maj-Gen Thitiphong Chennuwat, is responsible for the three border districts whose eastern boundaries run a total of 165 km along the border. "The Second Infantry Division is in the process of becoming a mechanised infantry force, thanks to former Army commander-in-chief Chawalit Yongchaiyut who raised the idea of making infantry troops faster and fiercer," a Burapa Force officer said.

A regiment of the Second Infantry Division has been transformed into a mechanised infantry force since 1989 to make it capable of deploying its troops to the eastern front, particularly on the plains where only canals mark the borderline. "The strategic route from the border in Aranyaprathet to the heart of Bangkok covers a distance of less than 300 kilometres," the officer said.

The dry season in Ta Phraya, Aranyaprathet and Khlong Hat may be eight to nine months long with the rest of the year being the rainy season. Intrusion across the border canal by ground troops might take place at any moment.

This necessitates the rapid deployment of mechanised infantry troops of the 12th Infantry Regiment under command of Burapha Force deputy commander Col Prawit Wongsuwan. Mechanised infantry troops of the 12th Infantry Regiment that is primarily responsible for the so-called Watthana Nakhon Pass—the shortest strategic route between the eastern border and the capital city—can be deployed immediately in all weather and seasons to critical areas on the border from north of Ta

Phraya, close to Buri Ram province, down to south of Khlong Hat, close to Chanthaburi province, with assured deterrent capabilities.

Rapid deployment of the 1st Infantry Regiment, the Army's first unit to be developed as a mechanised infantry force, requires light tanks and fast-moving armoured personnel carriers. The 12th Infantry Regiment uses US-made M-41 and British-made Scorpion tanks for rapid deployment in any areas of invasion by foreign forces. The Scorpion is fitted with a 76mm cannon and a laser rangefinder. "The mechanised infantry unit also plans to procure a bigger tank for increased firepower and the US-made M-48 A5 would be one good choice," a regiment office said.

The 12th Infantry Regiment uses US-made M-113 APCs [Armored Personnel Carrier] for rapid transport of its troops. The M-113 is an old combat vehicle but it has proved to be the right APC for the right terrain on the eastern border. The APC is fitted with TOW antitank missiles. TOW missiles as well as US-made Dragon missiles of the 12th Infantry Regiment can pierce through the steel body of a Soviet-made T-54 or T-55 tanks with assured destruction capability. In a combat scenario, the unit uses 105mm mortars and 155mm howitzers to provide fire support for the M-41, fitted with a 76mm cannon, and the M-113 that rushes towards the invaded area. In the meantime, US-made AH-1 Cobra attack helicopters can play a role in providing air support for the ground troops.

Anan Says Malaysia First Leg of Regional Tour

BK0604041591 Bangkok THE NATION in English 6 Apr 91 p A2

[Text] Prime Minister Anan Panyarachun said yesterday Malaysia will be the first leg of his regional tour but he cannot visit all the ASEAN countries in his first trip abroad in his present capacity as he has other more urgent tasks at home.

"If I go, then Malaysia will be the first country, because it will coincide withd the time our foreign minister (Asa Sarasin) will be in that country which is one of our closest neighbous," Anan said, responding to question on whether he had any plans to visit countries in the region.

The premier said his first trip abroad will be in ASEAN but that he cannot include the five ASEAN members is one schedule because he has other more urgent task in the home front. He stressed that his proposed regional visit would be to "talk business and discuss" bilateral political and economic issues including regional cooperation and not one to "repair Thailand's image."

The Foreign Ministry during its internal meeting last week suggested that the premier go to several Western countries including Japan and the United States in an effort to boost the Thai image tarnished since the military coup in February. However, the forum did not come up with any concrete plan as to when the trips should take place and which countries should top the itinerary.

An informed Foreign Ministry source said Anan and Asa would certainly travel together to Malaysia, where both Thai leaders will have the chance to meet with their Malaysian counterparts. But the details of the visit, said the source, have yet to be worked out as Malaysia is currently observing the Ramadan fasting month which ends on April 15. The source could not say if other ASEAN nations will be included in the Malaysian trip but said all would depend on the decision taken by Foreign Minister Asa.

Thailand and Malaysia have set up various committees and sub-committees which they use as their regular meeting forums. Asa and his Malaysia counterpart chair the joint commission, which meets annually preceding a summit between the government leaders of both countries.

Prime Minister Anan stressed yesterday that the Thai image rested totally on the actions taken by the military-appointed government and the National Peacekeeping Council." Good actions result in a good image," he said. He declined to comment on how the world community considered the present administration, but said he believed the "Thai image was improving steadily."

Early this week, Anan said he did not pay attention to any image-making plan, and added that that depended on the performance of the government. He also denied rumours that Singapore would replace Thailand as a venue for the upcoming World Bank-IMF Conference in Bangkok in October saying that what he had learnt was that "the meeting will certainly take place here ... and that the United States is sending a lot of delegates to attend the forum."

Manun Rupkhachon 'Stripped' of Military Rank

BK0604051591 Bangkok BANGKOK POST in English 6 Apr 91 p 2

[Text] Maj-Gen Manun Rupkhachon has been stripped of his military rank because he has failed to report back to work after the February 23 military coup, Armed Forces' acting spokesman Lt-Gen Narudon Detpradiyut said yesterday.

Lt-Gen Narudon's comment was in response to reporters' question on the progress in the authority's investigation to bring the fugitive officer back for punishment.

"No general has been missing from the Army, the person who has disappeared is 'Mr' Manun," he said. Lt-Gen Narudon said that the military has paid no interest in Maj-Gen Manun's whereabouts since that was the responsibility of the police.

Constitution Commission Meets, Elects Officials

BK0804135891 Bangkok Domestic Service in Thai 1200 GMT 8 Apr 91

[Text] The Constitution Drafting Commission held its first meeting today at parliament building. Nineteen of the 20 commission members attended the meeting which began at 1345. The commission elected Michai Ruchuphan as its chairman, Arun Phanuphong as vice chairman, Thaksaphong Chiamwichit as secretary, Adun Wichiancharoen as spokesman, and Witsanu Khruangam as deputy secretary and deputy spokesman. The meeting lasted for about three hours.

According to Commission Spokesman Adun Wichiancharoen, the commission will use the Constitution of 1978 as a model for drafting the new constitution.

[Begin Adun recording] In addition to the academic nature of the relationship between administrative and legislative powers and the much discussed need to rectify it, the meeting felt that a past constitution should be used as a model in the consideration of each section of the new constitution. This does not imply that we will use any past constitution as the specific guide to be adhered to in the drafting process. [end recording]

The commission will meet twice a week—on Monday's and Thursday's. The commission spokesman concluded that the commission will do its best to draft a constitution that is suitable to the nation and that is durable.

National Assembly President on Electoral System

BK0604050291 Bangkok THE NATION in English 6 Apr 91 p A1

[By Sumitra Hanpanyaphichit]

[Text] The country's election method should be changed from the conventional majority-vote system, which tends to encourage vote-buying by individual candidates, to a proportional-vote system, that will enhance political parties' control over candidates, National Assembly President Ukrit Mongkhonnawin said.

Ukrit said he believed the new system, similar to the one used in many Western countries, would be an effective way to eliminate the money-for-votes practice. Under the proportional-vote system, voters cast their ballots for the political parties of their choice and the parties, in turn, make a list of their candidates, in order of importance, to fill the number of seats they win based on the proportion of votes they receive in a particular constituency, the assembly president said. "The proportional-vote system would make vote-buying redundant because the parties will predetermine which candidates are to take the seats they win," he said.

Ukrit said the system would also strengthen the position of political parties in keeping their members under control because they would be empowered to expel MPs [members of parliament] and replace them with others without being required to hold by-elections. The proportional-vote system would also require the merger of constituencies in each province into a single constituency that would allow the voters to pick qualified candidates from different parties, he said. "The new system will significantly strenghthen party politics as voters will eventually shift their emphasis from individual candidates to political parties when it comes to voting," the assembly president said.

Ukrit also suggested that the law governing political parties should be amended to empower political parties to replace vacant seats in the House of Representatives without having to go through by-elections. He said that would complement the separation of administrative and legislative branches of government as proposed by the National Peacekeeping Council. "In this way, any MPs belonging to one party who take up Cabinet posts will be replaced by their colleagues chosen by that party," he said.

Thailand's current majority-vote system allows candidates who get the most votes and runners-up to take available seats in small constituencies of no more than three seats. Many critics said the small constituencies made it easy for candidates to bankroll their way into the House of Representatives.

Prime Minister Urges Unity in Foreign Ministry

BK0604041391 Bangkok THE NATION in English 6 Apr 91 p A1, A2

[Text] Prime Minister Anan Panyarachun yesterday urged officials of the Foreign Ministry to be united in their work and adopt a systematic approach to redeem the prestige of the institute which "had fallen victim to circumstances previously".

The premier gave a touching speech during his call on Saranrom Palace—a traditional name for the Foreign Ministry—where he met with all the personnel including Foreign Minister Asa Sarasin and his deputy Wichian Watthanakun. The visit yesterday morning was part of his scheduled tour of all the 13 ministries.

During his earlier visits to nine other ministries, Anan said he had often stressed "honesty, efficiency and team spirit" as essential to the running of the ministries. He asked to be excused yesterday for the frankness in expressing his observation that "Foreign Ministry officials have lately been working without harmony, without consistency, and without true loyalty to Thai foreign policy."

Moreover, "there have been some who have been working outside the system and team spirit is lacking," he said, adding that he had to raise the issue "because I feel the need to do so as this is the general feeling of numerous people outside the Foreign Ministry as well as the opinion of many of the officials here."

Anan said he intended no malice in his comments and nobody should be blamed for the fault. "The fault lies in the system or circumstances. I'm afraid that the Foreign Ministry is a victim of circumstances more than anything else," he added. "Let bygones be bygones. A person can live, and find the courage to perform his duty if he looks to the future. I think the Foreign Ministry's administration team I set up here is good," said Anan, who is himself an old hand of the ministry. He appointed two of the ministry's alumni Asa Sarasin as foreign minister and Wichian Watthanakun as his deputy.

Anan himself rose to the top of his diplomatc career as permanent secretary in 1976 at the age of 44. In 1977 he was appointed ambassador to the then Federal Republic of Germany before resigning from government service in 1979. In one part of his speech, Anan pleaded with Foreign Ministry officials "to proceed to the future and work systematically in the spirit of teamwork to redeem the prestige and fame of the Foreign Ministry, and to build up public and international confidence in the institute." Given the quality and potential of the ministry's officials, he said, he believed the objectives could be "achieved gracefully" and that he would lend his support to "our beloved institute."

The premier said he was proud to have been a member of Saranrom Palace for 23 years and that he wanted to implant the attitude in all the ministry personnel especially in the lower echelon. "Work at the Office of Foreign Affairs is fun, and has to deal with all sorts of problems. It is a workplace that challenges a person's ability, discretion, and flexibility," he said.

"The Foreign Ministry must be open minded and its perspective of the world must be broad. It must also take Thai and foreign attitudes into consideration on certain issues. Sometimes it has to bear the brunt of the blame in some affairs, and has to assist in restoring Thailand's image," he added.

Anan told the officials at the Foreign Ministry that at the same time it must promote peace in neighbouring countries, as well as to gain respect from all parties. Most important of all the Foreign Ministry has to face realities in the country and in the world, he said. "Realities are sometimes unbelievable, but it is your duty to discover what is the true reality, and Thai foreign policy must rest on the basis of that reality," he told the gathering before attending a luncheon to welcome him hosted by Asa.

During the speech, Anan urged the Foreign Ministry to pay more attention to expanding its scope of responsibilities to cover economic and national security matters apart from foreign affairs. He said he had invited former permanent secretary M.R. Kasemsamoson Kasemsi to the post of PM's Office Minister because he wanted him to coordinate foreign affairs, economic and national security matters as well as to shoulder some of the premier's duties in certain foreign issues. Anan also recalled his old days at the ministry from where he said "he was born and grew up." He said: "I love and have close mental and spiritual ties with Saranrom Palace."

During the years he was away from the ministry, he had very little opportunity to get in touch with the institute. During that period, he said there was an atmosphere of "fear and allegations" that Anan might become a foreign minister. There were also others who desired to see him fill the post, he said. "I can say happily that my time in government service has already ceased, and I have never thought of returning. But I used to think that if one day I have to come back, it would be to the Foreign Ministry. However, the situation has changed and there was no such need as there was a proposal for me to become a prime minister," he added.

Paper on Need for More Efficient Justice System

BK0604042991 Bangkok THE NATION in English
6 Apr 91 p A8

[Editorial: "Avoid Summary Executions"]

[Text] Under Article 27 of the interim Constitution, the chairman of the National Peace-Keeping Council [NPKC] and the prime minister are empowered to do "whatever is necessary" to deal with anything or anyone threatening national security, economic and political stability, or public order, etc. All summary orders and action taken by either the NPKC chairman or the prime minister wielding absolute power under this article shall be deemed legal and in compliance with all due process of law.

Prime Minister Anan Panyarachun has repeatedly, and quite wisely, dissociated himself from this absolute power, which can be used in meting out summary executions, saying that he has no need for it. We think this is a correct stand. It will save the prime minister a lot of time and spare him from a lot of trouble agonizing over whether or not he should use his absolute power, and use it to what extent in a particular case. Since the country is still under martial law, he can leave all the extreme cases to the military court.

Military leaders on the NPKC, on the other hand, say the absolute power is necessary to deter "undesirable elements" from stirring up political trouble and to investigate the wealth of politicians in the toppled Chatchai administration. Yesterday Air Force Commander ACM [Air Chief Marshal] Kaset Rotchananin added that summary punishment—including execution—would be meted out to rapists who have murdered their victims, major drug traffickers and arsonists. If these criminals are to be dealt with in this way, then we assume that hired-gunmen, big-time arms smugglers and owners of large-scale illegal logging businesses should also be swiftly punished under Article 27.

The absolute power under Article 27 can be used, for example, in seizing the assets of major drug traffickers and arms smugglers. Several countries have a law to this effect in order to deny drug traffickers and arms smugglers the profits from their deadly, illegal businesses.

The absolute power has been used by the anti-graft Sit Committee to summon bank accounts and financial records to determine whether politicians of the previous administration, including ex-premier Gen Chatchai Chunhawan, have amassed excessive wealth through illegal means. The Sit Committee will soon recommend the NPKC chairman to call in specific politicians under investigation to testify and prove to the Sitthi Committee that they have built up their fortunes honestly.

Without this absolute power, the burden to prove corruption charges against these wealthy politicians would be on the authorities investigating them. The Sit Committee would then end up failing in its task because witnesses and evidence of corruption could hardly be found in a normal investigation.

Wielding absolute power to seize the assets of those politicians who can't explain how they had acquired so much wealth is justifiable in that the politicians will be given the chance to explain, and in that they and members of their families might try to contest the asset seizure in court. Families of the late premier Feild Marshal Sarit Thanarat, former premier Field Marshal Thanom Kittikhachon, former deputy premier Field Marshal Praphat Charusathian, and Col Narong Kittikhachon still have cases pending in court to claim back part of the assets seized under absolute power by past administrations.

However, meting out a summary execution is a much more serious act which the NPKC had better avoid. Capital punishment has generally failed to deter hardcore criminals and desperate people from committing serious offences that are punishable by death. For example, in Malaysia, where hanging is mandatory for anyone convicted for possesion of a large amount of narcotics, drug traffickers are still being arrested in the country every month.

Instead of relying on Article 27 as a deterrence against felonies, the NPKC should help the Anan administration overhaul the criminal justice system, amend the Criminal Code to update laws and increase penalties against felonies and increase police efficiency. This, in the long run, can deter crime because people will take note that criminals face an increased likelihood of getting arrested and being severely punished.

A more efficient criminal justice sysem is what Thai society needs. It will protect people long after the NPKC leaves the national scene, and it is what the NPKC should strive to leave behind.

Vietnam

Article Defends Party Leadership Role

BK0404100191 Hanoi Domestic Service in Vietnamese 1430 GMT 27 Apr 91

[Article by Khanh Ngoc entitled "The Party Leadership and State Authority," under the column "Contribute Views on the Draft Documents of the Seventh Party Congress," published in a "recent" issue of NHAN DAN]

[Text] The role of the state is very important in guaranteeing the people's right to mastery, but certain people have absolutized the state role. They are trying to pit the party against the state. They have, in fact, denied the legal leadership role of the Communist Party. Regardless of whether they are unintentional or intentional, good-intentioned or ill-intentioned, it is clear that these people are guilty of wrongdoings.

First, we should not forget that Vietnam has become independent and unified as it is today as a result of the long revolutionary struggle of the multiethnic Vietnamese people led by the Communist Party. Many generations of communists have, together with the people, dedicated their blood and bones to building this edifice of victory.

Second, it is necessary to be aware that due to the decades-long rigorous war, the state and various mass organizations were objectively required to be placed under the general, direct, and timely leadership of a center—that is, the Communist Party. The war forced the party to become both the leader and the operating organizer. This wartime oganizational mechanism was appropriate and effective, for it led the revolution to total victory. In shifting to the period of socialist construction, this mechanism has increasingly exposed various aspects of irrationality. Because its state of irrationality was left unsolved for so long, this mechanism has turned into a system of overwhelming bureaucratic and subsidy-based centralism.

Since the Sixth Party Congress, the party has detected this irrationality and has come up with countermeasures by renovating the organization and operating methods of the political system and delineating the functions and tasks of each component in its organizational structure, including the party's leadership functions. Attention has been given to the state's social management authority and the right in production and business of various economic organizations. In reality, positive changes are taking place. It is the party which has initiated and led this process of renovation. How can those who claim to be enthusiastic, honest, well-intentioned, and constructive ignore this fact without taking into account these positive and very encouraging steps in the right direction?

Third, a number of bigoted people have been prejudiced due to the party's errors and shortcomings, for which the party itself has been harshly criticized. Following national unification, our party expressed its earnest desire to promptly build a powerful and prosperous country and bring about a free, plentiful, and happy life for its people. But because of its subjectivism, hastiness, and voluntarism as well as its failure to firmly grasp the law of evolution and the situation, the party committed serious mistakes regarding its strategic policies. Therefore, the socialist construction has not produced the desired results. The country has been caught in a state of socioeconomic crisis and the people's lives have been beset with numerous difficulties.

At the Sixth Party Congress the party criticized itself harshly and sincerely acknowledged its faults before the entire population. It came up with a renovative line with a determination to redress its shortcomings in order to tide the country over dauring the state of crisis and continue to move forward.

It has been less than five years since then. Within such a short period of time and with complex changes in the international situation, but with the people's support, our party and state have been able to firmly maintain political stability and security, dispel by another step inflation, renovate the economic management mechanism, introduce many legal documents, and broaden international relations. As a result, positive changes have been noted in various aspects of the situation. Our people have also gained many achievements which, though still limited, are very encouraging. This obvious fact has been objectively observed and welcomed by foreigners. How can those in the country who claim to be well-intentioned be unware of this? Let them go to the countryside, to various farm areas, worksites, and enterprises to witness what is going on there and compile statistics and charts to compare the situation with that of 1989 and 1990. Let them conduct social surveys to get to know the feelings of a broad section of the working people about the renovation undertaking.

Through various objective surveys and studies as well as existing statistics, our socioeconomic and cultural progress, though still modest, is very encouraging. It is important that the people have become eager, elated, and more confident. Tens of thousands of ideas contributed by the people of various strata to the party's draft platform and strategy are very sincere, open-minded, and constructive, thus further enriching the party's wisdom. The multiethnic people in every corner of the country are, together with the party, making preparations for the Seventh Party Congress and regarding the work and destiny of the party as their own. The laboring people nationwide continue to be a solid back-up force for the party and a strength and momentum for the renovation undertaking.

Through various foreign mass media, certain people have denied the achievements and prospects of the renovation undertaking as part of an attempt to negate the party leadership. They have claimed that those guiding the current renovation undertaking in the Communist Party of Vietnam [CPV] are only a group of people who are poorly educated, corrupt, unqualified, and too incompetent to renovate themselves. By doing so, they have deliberately tarnished the name of genuine communists.

With the statistics we now have after surveying and consulting with the people, we can say in general that grass-roots party organizations have around 10 percent of their members listed as weak and around 30 percent listed as strong and who continue to develop their vanguard and exemplary role as stipulated by the party statute. The campaign to purify the party has brought positive changes and continues to be stepped up. Observing the situation objectively, one cannot base oneself on certain phenomena to negate the revolutionary leadership role of the Communist Party. Blaming the whole collective for the faults of certain members and using the idea of "one rotten apple spoils the whole barrel" as a means to blame and tarnish the name of the Communist Party of Vietnam is an ill-intentioned move.

Our party never contents itself, has great confidence in the people, never covers up its shortcomings, and will defy all distorting criticism in its efforts to continue its self-criticism campaign and remove bad elements from the party in order to make steady headway.

The strength of a person or political organization cannot be raised or lowered merely by such slanderous, deceitful, and fabricated allegations. The party's strength lies in its ability to criticize itself, accept public criticism, find reasons and countermeasures for these problems, and, finally, address its shortcomings. From another perspective, the revolution knows how to defend itself. The people themselves will realize this fact and resolutely protect genuine communists. With its close attachment to the people, the CPV knows how to do that and will continue to do that.

Fourth, a number of people have continued to harp abstractly about state authority, claiming that the Communist Party has usurped power, gained privileges, and has an upper hand over the state. They have demanded that the party return the state power to elected organs. Administration is the basic question of any revolution. Any revolution, be it the people's national democratic revolution or the socialist revolution led by the Communist Party, is aimed at wresting back power for the people so the people can be masters of their country. Undoubtedly, everyone knows that in this world no state administration can claim to be free from a political force. In our country the administration is of the people, by the people, and for the people. This administration is led by the Communist Party. This is because the party is of the people. It has come into being for the sake of the people and is organized and built by the people. The Communist Party arises from among the people. The people have elected various organs with many of their personnel being Communist Party members. These party members perform a double duty, both toward the party and the people. At the same time, they reflect the party's intentions and the people's aspirations. Thus, why are communists denied this right? Why do communists have to renounce the duty entrusted to them by the people?

The Communist Party will continue to lead the state so long as it continues to belong to the people and work for the people and so long as it continues to increasingly attach itself to the people like flesh and blood. The state administration can only remain and be truly powerful when it serves the people. It must be of the people, by the people, and for the people.

If the government does harm to the people, the people have the right to kick it out. The Communist Party seized power through democratic means. It seized power at its roots—that is, the people. It is the people themselves who, through their experience, have trusted the CPV and entrusted it with the duty of ruling the state. Blaming the communists for seizing state power is a demagogic and contemptuous act against the people and is done out of jealousy for the strength generated by the ever-closer blood-and-flesh relationship between the party and people.

Hanoi Districts Hold 1st Round Party Congresses

BK0604015191 Hanoi Domestic Service in Vietnamese 1200 GMT 27 Mar 91

[Text] Together with other localities in the country, the outlying districts of Hanoi City have been proceeding with the first round party congresses by discussing, providing opinions to the party draft documents, and selecting representatives to attend the Hanoi City party congress.

Some districts have completed the congresses. Generally speaking, the congresses yielded good results in Dan Phuong, Phuc Tho, Soc Son, Son Tay town, Thach That, Hoai Duc, Gia Lam, and so forth.

The representatives enthusiastically took part in discussions and provided opinions for the party draft documents with a democratic attitude, good concentration, and high responsibility. Some opinions expressed at the congresses differ in point of view in order to clarify a matter or to analyze certain points of view in the draft documents.

Being different from congresses of the inner city wards, the district congresses concentrated discussion on agricultural production, including the agricultural investment policy, matters relating to land, the strengthening of agricultural cooperatives, and so forth. In order to strengthen the agricultural cooperatives and to perfect the forms of the contractual system, some opinions presented the idea that the role of the agricultural cooperatives is not needed anymore because the cooperatives do not have an effect on production control and management. The cooperative members have become independent economic units and the strengthening of the new production relationship in the way of organizing the agricultural service offices to sign contracts directly with cooperative members is encouraging productivity to a greater extent. But there were some opinions expressed that the agricultural cooperatives should not be dissolved because they are revolutionary achievements. Only the cooperative management board should be strengthened and perfected in conformity with the direction of personnel reduction. The agricultural services should perform better and the collective should be more responsible and effective in the main tasks.

About the land in agricultural areas, some opinions agreed with the draft that the peasants should be entrusted with the right of long-term use of land and they should be given certification on the land. The law should stipulate the rights of succession and transaction of land so that peasants can have peace of mind in production. In addition, with the rights of succession and transaction, land can be merged more easily and production of goods in agriculture will be better. But there were opposing opinions which only agreed on the right of long-term use of land and on issuing certification to peasants so they can cultivate the land with peace of mind. They did not agree with the legalization of the rights of succession and transaction because if it is accepted, the nation's ownership of land will only exist in theory and the rural areas will be divided between the poor and the rich. The land will be gathered by people with more money and the poor will have to sell their land and work as laborers. Will our society be called a socialist one after that?

About agricultural investment, many representatives stated that in order to make agriculture a front runner, the government needs to invest and subsidize some materials used in agricultural production such as fertilizer, insecticide, electricity, and so forth, especially investment in agricultural science and technology.

Concerning the payment of electricity and water work fees, they should be paid after the peasants harvest their crop. Apart from those topics mentioned above, the district congresses spent a lot of time discussing other matters.

Ho Chi Minh City Recognizes Renovation Project

BK0804124491 Hanoi VNA in English 0551 GMT 8 Apr 91

[Text] Hanoi VNA April 8—A research project on the renovation of the administrative apparatus in Ho Chi Minh City was recently recognized by the city Party Committee's Department for Social Sciences.

Among the project's sponsors were Lawyer Tran Ngoc Lieng, the Project Director and Physician Van Van Cua, former Saigon mayor.

The project focuses on five key issues in the renovation of the city's administrative apparatus: The relations between the party and the administration, the relations between the elected bodies and executive offices, the relations between the central government and the municipal administrations, organization of administration offices under the city people's committee, the organization of the city people's committee and its affiliates.

Gold Star Order Conferred on Le Van Luong

BK2803164291 Hanoi VNA in English 1456 GMT 28 Mar 91

[Text] Hanoi VNA March 28—A ceremony was held here today by the Central Committee of the Communist Party of Vietnam, the National Assembly, the State Council, the Council of Ministers and the Central Committee of the Vietnam Fatherland Front to confer the Gold Star Order, the highest distinction of Vietnam, on Le Van Luong, former Political Bureau member, former secretary of the Central Committee and former secretary of the Hanoi Committee of the Communist Party of Vietnam.

Vo Chi Cong, Political Bureau member and president of the State Council, Do Muoi, Political Bureau member and chairman of the Council of Ministers, were among those present.

In his congratulations, President Vo Chi Cong praised Le Van Luong for his staunch revolutionary spirit, his dedication to the cause of the party and people and his exemplary revolutionary virtues.

VNA Reports on Contributions of Red Cross

BK0704155391 Hanoi VNA in English 1423 GMT 7 Apr 91

[Text] Hanoi VNA April 7—Over the past year, the Vietnam Red Cross with more than two million members, has made major contributions to the social relief work and health care for the people.

It mobilised its members and people to help victims of six storms and two big whirlwinds that hit the country, especially central Vietnam, causing great losses in lives and property. Through various campaigns, it raised nearly four billion dong (about 800,000 U.S. dollars), helping tens of thousands of families.

In addition to such emergency relief, the Red Cross has also lent its hand to the disabled, orphans, and supportless aged people through diversified forms such as fundraising to build free consulting rooms, sanatoriums for old people, houses for fallen combatants' families, granting scholarships to poor students, and opening schools for handicapped youths and children ....

The Red Cross has, in cooperation with the health service, organised a first-aid network everywhere, mobilized people to use traditional medicine, donated blood.... As a result, nearly 5,000 first-aid stations were set up mostly along highways, which last year gave treatment to nearly 43,000 people, 892 first-aid courses were organised for its members, 4,857 consulting rooms run by 5,000 Red Cross members were opened, which gave free treatment with traditional medicine to 6.5 million people.

At present, some 5,000 TB sufferers are being given treatment at their homes by 2,000 Red Cross members and 45,600 lonely old people put under the care of Red Cross officials. The Red Cross also helped repair 30 health stations in calamity stricken villages.

Last year, in response to the Vietnam Red Cross's appeal, many national Red Cross organisations, through the league of Red Cross and Red Crescent Societies and the international Red Cross, gave aid to the Vietnamese people, which was valued at one million U.S. dollars.

In March 1991, the Vietnam Red Cross and the League of Red Cross and Red Crescent Societies signed a cooperation agreement for 1991-93 under which the league will help Vietnam Red Cross with seven million U.S. dollars to step up its activities.

Italian Minister Concludes 4-Day Visit 6 Apr

BK0604145491 Hanoi VNA in English 1353 GMT 6 Apr 91

[Text] Hanoi VNA April 6—Giovanni Prandini, minister of public works of Italy, today ended a four-day visit to Vietnam.

While here, the Italian minister, who was accompanied by Senator Maurizio Lotti as well as other public works officials and representatives of several Italian companies, met with leading officials of the State Planning Committee, the Commission for Cooperation and Investment, the Ministries of Construction and Transport, Communications and Post, and the People's Committee of Ho Chi Minh City.

At their meetings, the two sides exchanged views on their bilateral cooperation in transport and communications.

The Italian guests also visited a number of economic and cultural establishments in Hanoi and Ho Chi Minh City.

On April 4, they were received, on separate occasions, by Chairman of the Council of Ministers Do Muoi and Foreign Minister Nguyen Co Thach.

Economic Seminar Held With French Group

BK0804124291 Hanoi VNA in English 0544 GMT 8 Apr 91

[Text] Hanoi VNA April 8—A seminar entitled "Capital Market and Stock Company" was jointly held here on April 3-4 by the Institute of Economic Management Research of Vietnam and the Credit Lyonais of France.

Nearly 100 directors of business companies and economists attended the seminar.

Opening the seminar, Doan Duy Thanh, director of the Institute of Economic Management Research, pointed out: The seminar is organized with the aim of searching for appropriate forms of economic organizations so as to meet the requirements in changing Vietnam's economic model and managerial mechanism.

For his part, Lawyer Daunard J. Le Monde, expert of Credit Lyonais, gave a lecture on the issues of stock company, stock market and other capital markets, steps toward the formation of the capital market particularly in Vietnams's conditions and on the prospect of mobilizing capital from foreign investors in Vietnam.

Australia

Farmers Attack U.S. Facility at Yarragadee

BK0704140091 Hong Kong AFP in English 1345 GMT 7 Apr 91

[Text] Perth, Australia, April 7 (AFP)—Angry Western Australian farmers staged an anti-U.S. protest Sunday to emphasise their hostility to American grain subsidies.

About 100 farmers and their families broke into a joint-owned U.S.-British laser tracking station at Yarragadee, 80 kilometres (50 miles) southeast of the port city of Geraldton, police said.

The farmers wrote anti-American slogans on U.S. caravans in the unmanned compound, said Police Sergeant Bob Rundle, officer in charge at Mingenew Police Station near Yarragadee.

One slogan said, "No American Subsidies."

"They also dumped half a tonne of wheat at the main entrance," Sgt. Rundle said.

Farmers in Western Australia are becoming increasingly angry about U.S. action in what is seen as the dumping of wheat on Australian markets.

Farmer Ian Broad said that unless the Australian Government takes action to protect the wheat industry from American subsidies, the next demonstration would be more destructive.

"We, as a rural community, feel we have very little to lose," he said.

There was no damage to a seven-metre (22-foot) tracking dish, Sgt. Rundle said.

"There were no arrests, and we are still inquiring," he said. "It may be a few days before we know if there will be charges. Obviously, the farmers' intention was to get a point across to the Americans."

Bank Lifts Currency Restrictions With Kuwait

BK0804065391 Melbourne Overseas Service in English 0500 GMT 8 Apr 91

[Text] The Reserve Bank of Australia has lifted restrictions of Australian foreign currency dealings with Kuwait. However, Australian financial dealings with the Iraqi Government or Iraqi nationals remain banned, without the specific approval of the Reserve Bank. The bank imposed the restrictions on 9 August last year after the United Nations Security Council resolution imposing sanctions against Iraq.

Hawke, Keating Censure Employment Minister

BK0804110691 Hong Kong AFP in English 1044 GMT 8 Apr 91

[Text] Canberra, April 8 (AFP)—Australian Prime Minister Bob Hawke and Treasurer Paul Keating rebuked outspoken minister John Dawkins here Monday for his public questioning of the government's economic policies.

The opposition called for Mr. Dawkins to be sacked for weekend comments interpreted by opposition leader John Hewson as a clear attempt to undermine the government by apparently calling for a devaluation of the dollar.

It was the employment minister's second dressing down in six months for openly questioning the floating dollar exchange rate.

A spokesman for Mr. Hawke said mr. Dawkins' speech was totally unacceptable and not to be repeated.

Mr. Keating told a news conference the cabinet believed it was "unacceptable for ministers to be making speeches, no matter how well intentioned, which end up being for one reason or another reported as though they are critical of or questioning policy."

The treasurer said the government would not change its exchange rate policy.

Mr. Dawkins said Saturday that getting the exchange rate right was important for a nation in debt which needed a better export performance, and that it could not be assumed the rate would "take care of itself".

If necessary, he said, the government should sacrifice other macro-economic objectives to ensure the exchange rate was not seriously out of alignment for any sustained period.

Hewson Proposes Federal Parliament Referendum

BK0804064691 Melbourne Overseas Service in English 0500 GMT 8 Apr 91

[Text] The federal opposition leader, Dr. John Hewson, wants the government to hold a referendum on a four-year term for federal parliament within the next six months.

Dr. Hewson has already put his proposal to the prime minister, Mr. Hawke, and the government is looking at holding a referendum on the day of the next federal election. However, Dr. Hewson says the issue of four-year parliamentary term should be treated separately.

Fiji

Bavadra's Widow To Quit Opposition Leadership

BK0704070691 Hong Kong AFP in English 0637 GMT 7 Apr 91

[Text] Suva, April 7 (AFP)—Fiji opposition leader Adi Kuini Bavadra resigned here Sunday, announcing she would hand over coalition leadership by the end of the month.

Mrs. Bavadra, widow of ousted Prime Minister Timoci Bavadra, whose government was toppled in a military coup in 1987, tendered her resignation during an executive meeting of the labour party.

The trade union-backed labour party forms a coalition with the ethnic Indian-dominated national federation party in opposition to the interim government of Ratu Sir Kamisese Mara, installed by the military.

Mrs. Bavadra plans to leave Fiji for Australia later this month to marry Canberra lobbyist Clive Speed on April 27.

Her resignation follows dissension in coalition ranks about her continued leadership because of her relationship with Mr. Speed, who has links with Ratu Mara's alliance party, for which he was media advisor during 1982 elections.

The Australian Broadcasting Corp.'s four corners program alleged a team of Australian advisors had engaged in a "dirty tricks" campaign, but Mr. Speed was later cleared of any wrongdoing by a royal commission of inquiry.

Mrs. Bavadra's decision to quit the coalition has created a leadership crisis within the opposition.

The only obvious successor is University of the South Pacific Lecturer Tupeni Baba.

But Mr. Baba is unlikely to muster the same popular support accorded Mrs. Bavadra, who took over the leadership on the death of her husband from cancer 17 months ago.

Dr. Bavadra led the struggle against the interim regime, which set about enshrining the rights of indigenous Melanesians over ethnic Indians, whose support was responsible for his electoral win two months before the May 1987 coup.

Mrs. Bavadra said she would remain in Canberra after her wedding and would decide her future career later this year.

But she intends to help raise funds for the coalition through Australia's coalition for democracy in Fiji movement.

New Zealand

Government Said Cutting Annual Aid to Niue

BK0804093091 Hong Kong AFP in English 0923 GMT 8 Apr 91

[Text] Wellington, April 8 (AFP)—The New Zealand Government is cutting its annual aid to the Pacific island of Niue by 500,000 New Zealand dollars (295,000 U.S.), Foreign Affairs Minister Don Mckinnon said Monday.

Niue, a self-governing New Zealand dependency, currently receives 10 million New Zealand dollars (5.9 million U.S.) in aid each year.

The New Zealand Government has been dissatisfied with the slow implementation of a development plan agreed in 1989 and Mr. Mckinnon told Niue's leaders when he visited the island earlier this year that he wanted to see swifter results.

He said in a statement that he knew it would be difficult for Niue, which has a population of only about 2,000, to absorb the cut.

"The clear message is that every New Zealand dollar has to be spent as effectively and efficiently as possible," he said.

The cut will take effect in the next financial year which begins in July. Mr. Mckinnon said he had discussed the aid reduction with island Premier Sir Robert Rex.

The New Zealand Government is currently engaged in a wide-ranging cost-cutting effort to reduce the budget deficit.

Western Samoa

First Universal Suffrage Election Held

BK0604025891 Hong Kong AFP in English 0213 GMT 6 Apr 91

[Text] Lufilufi, Western Samoa, April 5 (AFP)—Long queues formed outside voting booths throughout Western Samoa Friday as thousands of people, given the right to vote for the first time, turned out for the general election.

While police and electoral officials said there had been no evidence of malpractice, opposition leader Tupua Tamasese Efi claimed his officials in each electorate had been refused electoral rolls.

To prevent people voting twice, each voter had to present a photo identification certificate which was cut after marking the ballot paper.

This is the first election to be held under universal suffrage in Western Samoa where, since independence in 1962, only family heads known as "matai" have been allowed to vote.

Tupua, who voted here Friday morning, also spoke of widespread reports from villages of last minute "gift giving" of thousands of tala (dollars).

Independent sources also pointed to alleged bribery in a group of largely inaccessible villages at the far eastern end of Samoa.

Previous elections in Samoa have been marred by subsequent court battles over electoral malpractice.

In an election broadcast Thursday night, Prime Minister Tofilau Eti Alesana said even if village councils had reached a consensus on who people should vote for, individuals were still free to vote as they chose.

Polling ended at 3 P.M. Friday (0200 GMT Saturday) but the result will not be known for several days.

Ruling Party Wins Election

BK0604130491 Hong Kong AFP in English 1254 GMT 6 Apr 91

[Text] Apia, April 5 (AFP)—Western Samoa's ruling party won by a decisive margin in the country's first universal suffrage elections here Friday.

The government radio station reported that the ruling Human Rights Protection Party (HRPP) would hold 26 seats in the 47-seat Legislative Assembly, while the opposition Samoa National Development Party (SNDP) would have 18 and independents three.

In the outgoing parliament, while the actual voting balance was untested, it was believed to be roughly even.

The biggest loser on election night was opposition leader Tupua Tamasese Efi, who, on preliminary figures, has lost his seat. The government lost one cabinet minister, the speaker and deputy speaker. On preliminary figures the turnout among the 56,000 registered voters was 78 per cent.

Since independence from New Zealand in 1962, Samoa has allowed only family heads, known as matai, the right to vote and only matai were able to run as candidates in this election.

Almost certain to return as prime minister is Tofilau Eti Alesana, 67, the longest-serving member of the Samoan Parliament. He first entered parliament in 1957 when Samoa was under New Zealand rule. He became health minister in 1959 and held the post for three terms.

Along with another veteran, Va'ai Kolone, now the deputy leader of the SNDP, Tofilau founded the HRPP, Samoa's first political party, in 1979. It won elections in 1980 and in 1982 Tofilau became finance minister under Prime Minister Va'ai. In 1986 Tofilau became prime minister.

In an interview this week with AGENCE FRANCE-PRESSE, Tofilau said his greatest achievement in office had been to restructure the country's economy. He said when he came into office they were faced with a chaotic situation.

"We had to introduce really austure measures in order to help the economy, including devaluation of the currency and increase in interest rates." He said he had been strongly criticised for terminating cocoa and copra subsidies but said government should "not spoil the people" with subsidies. "I regard Western Samoa as the most stable nation in the Pacific region."

This election result means that in 29 years Samoa has been governed by just five prime ministers.

Tofilau said he was determined to honour a campaign pledge that the country would next year introduce compulsory and free education for primary level children.

Election officials Friday were not counting special votes so some results might change, most notably that of Tupua Tamasese who, on election night figures, lost by 27 votes to his HRPP rival Moananu Salale. There can be a maximum of 145 special votes in the seat.

For Tupua Tamasese the evening was rich in irony. Three years ago when he took on a royal title he had to change constituencies. This left his old seat open to long standing rival Tanuvasa Livigisitone.

On election night three years ago Tanuvasa pledged loyality to Tupua Tamasese, but at the last minute changed his mind, depriving Tupua Tamasese of the prime minister's job by one vote in Parliament. On Friday night Tunavasa, a former minister of trade, lost his seat, which was returned to the SNDP.

Due to poor communications with the island of Savai'i, where Tofilau spent the day, a formal claim of victory has yet to be made. Tupua Tamasese has not conceded defeat yet.

In previous elections loyality of members of Parliament has not been an assured matter but both parties are understood to have required loyalty contracts from their candidates and Friday's decisive result is unlikely to result in defections from the HRPP.

Tofilau Gives Radio Speech

BK0704024091 Hong Kong AFP in English 1355 GMT 6 Apr 91

[Text] Apia, April 6 (AFP)—Western Samoa's Prime Minister Tofilau Eti Alesana early Saturday morning claimed victory in the the country's first universal suffrage elections held here Friday.

Speaking on the government radio station 2AP, he said, "Western Samoans returned power to the Human Rights Protection Party (HRPP)."

Tofilau said universal suffrage, which he introduced last year to replace the old system of giving family heads, or matai, the vote, was a Christian principle.

The station reported that the HRPP would hold 26 seats in the 47 seat legislative assembly, while the opposition Samoa National Development Party (SNDP) would have 18 and independents would hold three seats.

The biggest loser on election night was opposition leader Tupua Tamasese Efi Who, on preliminary figures, had lost his seat.

The government lost one cabinet minister, the speaker and deputy speaker of the assembly.

Based on preliminary figures, the turnout among the registered 56,000 voters was 78 per cent in this Pacific island state some 3,000 kilometres (1,800 miles) north of Wellington.

Tofilau, 67, is the longest serving member of the Samoan parliament. He first entered parliament in 1957 when Samoa was under New Zealand rule.

He became minister of health in 1959 and held the post for three terms.

He co-founded the HRPP, Samoa's first political party, in 1979. In 1980 the party won the elections and in 1982 Tofilau became minister of finance under Prime Minister Va'ai Kolone. In 1986 Tofilau became prime minister.

In an interview this week with AGENCE FRANCE-PRESSE, Tofilau said his greatest achievement in office had been to restructure the country's economy. He said when he came into office the country was faced with a chaotic situation.

"We had to introduce really austere measures in order to help the economy, including devaluation of the currency and increase in interest rates."

He said he had been strongly criticised for terminating cocoa and copra subsidies but said government should "not spoil the people" with subsidies.

He said his government had brought stability to the country. The current election results mean Samoa has been governed by just five prime ministers in 29 years.

"I regard Western Samoa as the most stable nation in the Pacific region," he said.

He vowed to honour a campaign pledge that the country would next year introduce compulsory and free primary school education.